

# Airey Neave killed by Commons car bomb

BY PHILIP RAWSTORNE AND IVOR OWEN

Mr. Airey Neave, the Conservative Shadow Northern Ireland Secretary, was murdered by a bomb which shattered his car in New Palace Yard at the House of Commons yesterday.

The political assassination—the first at the Palace of Westminster for more than 160 years—last night drew its shadow over the forthcoming General Election. Scotland Yard said the IRA was a major suspect in what Mr. Gilbert Kellard, Assistant Commissioner of Metropolitan Police described as “a horrendous and dastardly crime.”

Intensive security will now surround the major political figures in all parties during the campaign. Mr. James Callaghan last night pledged: “No effort will be spared to bring the murderers to justice and to rid the United Kingdom of the scourge of terrorism.”

Mr. Neave was driving his blue Vauxhall Cavalier up the exit ramp of the MPs' underground car park when the bomb exploded.

The blast hurled Mr. Neave, seriously injured, across the front passenger seat and blew out the car's front doors.

A pall of blue-grey smoke drifted from the yard to the windows of the Press Gallery offices above as echoes of the explosion rumbled in the Commons chamber itself.

Police on duty at the Commons rushed to the car park and sealed off entrances to the Commons precincts. Police reinforcements, firemen, ambulances, and anti-terrorist members of the bomb squad poured into place within minutes.

A doctor and a nurse climbed through the shattered windscreen of the car to give Mr. Neave

emergency treatment while firemen, using saws, tried to free him from the wreckage. Mr. Neave was taken to Westminster Hospital, where he died shortly afterwards.

Within 20 minutes of the explosion Parliament Square was closed to traffic as police, with dogs, began a full-scale search of the Commons buildings and car park.

For more than two hours no-one was allowed to leave or enter the Palace of Westminster.

The Commons suspended its sitting for 20 minutes as MPs waited in silent groups outside for confirmation of the victim's identity.

Mr. Neave, aged 63, was one of Mrs. Margaret Thatcher's closest advisers. He masterminded her campaign for the Tory leadership and headed her private office.

As Tory spokesman on Northern Ireland, for the past four years, he had taken a consistently hard line against the IRA's operations, demanding the maintenance of tough security measures in the province.

Earlier this week he played a vital part in persuading the majority of Ulster Unionist MPs to join the Conservatives to defeat the Government in the Commons confidence vote.

Mrs. Thatcher last night cancelled her planned pre-election broadcast after being informed of Mr. Neave's death.

In a statement last night, Mrs. Thatcher said: “The assassination of Airey Neave has left his friends and colleagues as stunned and grief-stricken as his family. He was one of freedom's warriors. Courageous, staunch, true. He lived for his beliefs and now he has died for them. A gentle, brave and unassuming man, he was a loyal and very dear friend. Now there is a

gap in our lives that cannot be filled.”

The Prime Minister, in a statement, said: “I am shocked and appalled by this cowardly murder. This abhorrent act has robbed our country of a distinguished public figure and a very brave man.”

Mr. David Steel, the Liberal Leader, described Mr. Neave as “one of the kindest and most respected” members of the Commons.

The political leaders are now likely to defer the opening of their election campaigns. The killing is bound to have a serious effect on the style and atmosphere in which it is conducted.

Mr. Merlyn Rees, Home Secretary, warned MPs only nine days ago to expect renewed terrorist attacks. The Provisional IRA were prepared to mount a further assault and to inflict heavy casualties and damage to property in mainland Britain he said.

Mr. Enoch Powell, Ulster Unionist MP for South Down, commented: “I am sure Airey Neave would have wished nothing better than to share the same end as so many of his innocent fellow citizens for whom the House of Commons is responsible.” He said later that he had “nothing to add to or subtract from that statement.”

Mr. Gerry Fitt, SDLP member for Belfast West, said: “Those responsible for his death may have killed a friend rather than an enemy. This further act of brutal and callous murder will once again horrify everyone except the psychopathic killers of the IRA.”

Mr. Airey Neave had told him that if he were to be the Secretary of State for Northern Ireland, he would hold a most searching inquiry into allegations of brutality during interrogations in Northern Ireland.



Mr. Airey Neave had taken a consistently hard line against the IRA.

Fears of terror campaign and Obituary, Page 3

## NEWS SUMMARY

GENERAL BUSINESS

### Reactor pollution spreads

The Governor of Pennsylvania yesterday closed all schools within five miles of the damaged Three Mile Island nuclear reactor, warning pregnant women to leave the area, and advised all those within 10 miles stay indoors.

Dudley Thompson, senior nuclear Regulatory Commission member, said it was proving difficult to keep the reactor cool because of a large steam bubble in the shell. “We face the ultimate risk of a melt-down.” Melt-down involves temperatures rising enough to melt the reactor core and its concrete casing. Back Page

### Iran threat

President Idi Amin yesterday restated to launch a counter-attack against Tanzanian-backed raiders who are shelling the Tanzanian capital of Kampala. Most observers believe his forces have disintegrated. Page 2

### Offer rejected

Saudi Arabian compromise offer in a further bid to break a deadlock over sanctions against Egypt did not meet with acceptance of more hard-line states yesterday, and the global meeting was again adjourned.

### Shah in Nassau

The Shah of Iran and his family flew into Nassau from Morocco yesterday, amid speculation that they plan to stay indefinitely in the Bahamas. Page 2

### Liberal success

The sweeping Liberal victory in the Liverpool Edge Hill by-election was yesterday greeted by a breakthrough by Liberals, but the latest opinion polls show little sign of a rise in the Party's election popularity. Page 3

### Briefly...

The Public Prosecutor offered out £2,250 for information leading to the arrest of gunmen who murdered British Ambassador Sir Richard Sykes. The offer and two documents written by General Franco were auctioned for about £1,250.

The selling price of the Financial Times in the Irish Republic will increase to 20p from 15p on Monday, April 2, 1979, due to increased production and carriage costs.

### Equities down 10; Pound up further

● EQUITIES ended the first leg of the Account with selling causing widespread losses, and the FT ordinary index fell 10 to 530.8 in heavy trading.

● GILTS closed quieter after a volatile week. The Government Securities Index closed 0.06 down at 75.28.

● STERLING continued to improve and it closed 1.05c up at \$2.0660. Its trade-weighted index rose to 66.1 (65.7). The dollar's index rose slightly to 84.9 (84.8). The Punt, Back Page

● GOLD fell \$2½ to \$338½ in London, and in New York the April Comex settlement price was \$339.50 (\$239.60).

● WALL STREET closed 4.59 down at 862.18.

● IRISH PUNT has been cut free from sterling, breaking a 150-year link. The continued strength of the pound meant that the Irish currency, linked to it, would push through the 2½ per cent band of the seven EMS currencies. Back and Page 2

● DETAILS of adjustments to personal tax allowances that will come into force as a result of the Roker-Wise amendments to the Finance Act, 1977 were disclosed in Finance Bill resolutions presented to the Treasury. Back Page

● CHINA has signed its first commercial loan arranged by a western bank, amounting to \$175m arranged by the Midland and International banks for the Bank of China. Bank of Tokyo has tentatively settled terms for another loan, of up to \$2bn and export financing to bring the total package to \$6bn, and Chase Manhattan is to lend \$30m. Page 23

● GOVERNMENT has isolated the two largest Civil Service unions—who have said the strike scheduled for Monday will go on by all but winning a 10 per cent pay settlement with the other six. Back Page

● RIO TINTO-ZINC is seeking government assistance for an exploration programme at the Cornish Wheal Jane tin mine. Page 4

● VOSPER, the UK shipbuilders and repairers, reports pre-tax profits for the year to October 31 down from £2.19m to £1.69m. Page 29

## STOCK PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated	
SES:	Hanger Invts. 59 - 5
Prop. 800 + 45	Imp. Cont. Gas 458 - 17
Anderson (P.C.) A 114 + 8	Irish Distillers 216 - 9
gnolia 195 + 30	Keyser Ullmann 64 - 4
ghlands Lowlands 115 + 12	Lloyds Bank 397 - 10
glo Am. Corp. 359 + 33	London Brick 75 - 3
I.M. Hldgs. 218 + 10	Lombard 85 - 5
ION Corp. 344 + 20	Lucas Inds. 280 - 6
ALLS:	MEPC 183 - 6
ied Colloids 112 - 6	Mowat (Wm.) 27 - 9
ied Irish Banks. 206 - 10	NatWest 357 - 11
ssc. Daries 278 - 10	Northern Foods 125 - 7
AT Inds. 320 - 10	Pre Hldgs. 97 - 27
2M A 96 - 4	Rentokil 105 - 7
nk of Ireland 387 - 28	Simon Eng. 328 - 8
ecaniam 717 - 11	Solicitors' Law 39 - 7
orton A 284 - 8	Unilever 654 - 12
ment-Roadstone 106 - 6	Vospar 222 - 7
mmercial Union 169 - 5	Shell Transport 755 - 19
rnell Elect. 608 - 17	Cons. Gold Fields 220 - 9
mbro Life 488 - 17	RTZ 300 - 12

# IRA claims responsibility and gives warning

BY MICHAEL CASSELL IN LONDON AND STEWART DALBY IN DUBLIN

THE PROVISIONAL IRA quickly claimed responsibility for killing Mr. Neave and gave a warning that it was the first attack “in a new campaign against the British political and military establishment.”

It went on: “The campaign will continue until there is a complete withdrawal of the British political and military presence.”

The claim of responsibility came in a separate telephone call to Dublin newspapers and Britain's Daily Mirror. At least one call was said to have come from an anonymous man saying that he represented a known Provisional IRA associate group, the Irish National Liberation Army.

The caller said: “We accept responsibility for the assassination of Mr. Airey Neave. Forensic tests will show that he was killed by a booby-trap bomb of TWT.”

The INLA is the military wing of the Irish Republican Socialist Party, itself an offshoot of the Official IRA. It has not been known for the Provisionals to claim responsibility for attacks in the INLA's name. The Provisional IRA's telephone messages to Dublin newspapers included a statement that read: “We have this message for the British Government: before you decide to have

a General Election, you had better state that you have decided not to stay on in Ireland.”

In a second statement to a used the recognised code word. The caller said the bomb consisted of a kilo of high explosive and was placed under the car below the driver's seat.

Mr. Jack Lynch, the Irish Prime Minister, condemned the murder, offered sympathy and promised full co-operation with the British Government in combating IRA terrorism.

“On behalf of the Government and people of Ireland I want to make it clear that if they can help they will in the pursuance of joint action against what must be considered as a common enemy. Full co-operation will be given,” he said.

News of the assassination shocked Dublin. Mr. Garrett Fitzgerald, leader of Fine Gael, and Mr. Frank Cluskey, leader of the Labour Party, quickly issued messages of sympathy and condemnation.

Scotland Yard said last night that the bomb was “a small device,” probably attached to the front underside of Mr. Neave's Vauxhall car.

It did not yet know where the bomb had been attached to the vehicle and had not itself received any claims of responsibility for the explosion.

Police had been fearing a new outbreak of violence on the UK mainland once the General Election campaign began. Mr. Kellard said that security measures had been stepped up accordingly but they would again be increased, particularly at Westminster, in readiness for any fresh outbreak of terrorism.

Mr. Kellard said that Mr. Neave, an Opposition spokesman on Northern Ireland, had been well aware of the dangers he was in and he was “happy and content” about security.

It is understood, however, that he had not recently had a personal protection officer.

Scotland Yard said that Ministers would continue to have police protection and that that would be extended to “others believed to be at risk.”

Mr. Kellard considered security at Westminster “pretty good.” He felt that it was impossible to effect total security in a place where so many people congregated. He conceded that not every vehicle entering the precincts of Westminster was fully searched.

Mr. Merlyn Rees, Home Secretary, returned to the Home Office last night for discussions on the explosion with Sir David McNeill, Commissioner of the Metropolitan Police.

# EEC dairy surplus costs expected to rise sharply

BY MARGARET VAN HATTEM IN BRUSSELS

THE COST of subsidising the EEC dairy surplus is expected to rise sharply this year after a sharp rise in the unit price of milk caused by the fall of Mr. Callaghan's Government on Wednesday.

Farm Ministers meeting in Brussels made little progress this week toward a settlement on Commission proposals for a price freeze in 1978-80 and a heavy tax on milk to curb production. It was decided to postpone further talks until after the General Election on May 3.

The EEC marketing year has been extended and prices frozen until June 30. The Commission does not expect a settlement much before then, nor to be able to impose the milk tax before September.

This means that output in the summer, when production peaks, will not be subject to the tax. Last year EEC milk output increased by 5 per cent,

and without the disincentive of the proposed tax is expected to rise substantially this year.

Last year the Community spent about £2.3bn buying up surplus dairy products, almost two-fifths of its farm budget. Preliminary estimates put this year's bill at about £2.5bn.

The main achievement of this week's Council was approval of use of the new European currency unit to replace the unit of account in farm pricing, together with devaluations of several “green” rates used to convert common farm prices into national currencies.

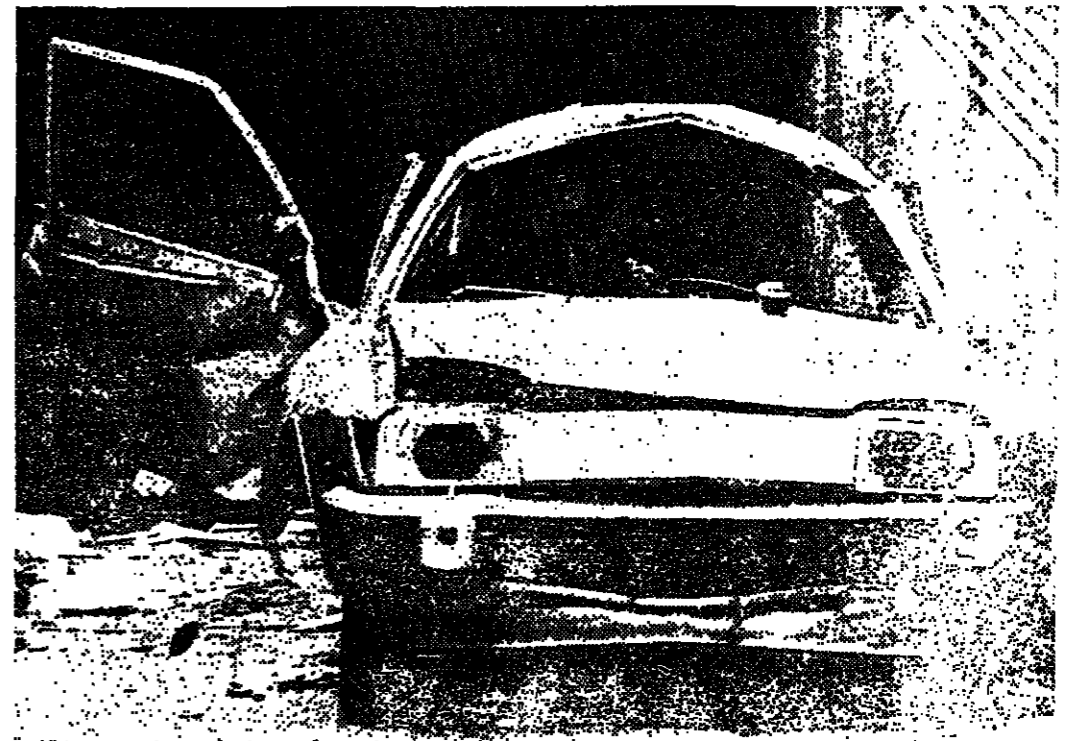
The first measure was needed, after introduction of the European Monetary System, to give a legal basis for calculation of the Community's border taxes and levies on farm trade. Formerly these were based on the “snake,” which ceased to exist after EMS was introduced. The green devaluations are

0.3 per cent for Ireland and 5 per cent for Britain, France and Italy. They come into effect on April 9. There is also a commitment to give Italy a further 4 per cent later this year.

This will give farmers in these countries price rises corresponding roughly to the size of the devaluation.

Christopher Parkes writes: Farmers are unlikely to get more price increases this year if a Labour Government returns after the election.

Mr. John Silkin, the Minister Continued on Back Page John Silkin's valedictory Page 2



The mangled remains of the blue Vauxhall car ripped apart by the explosion which killed Mr. Neave as he drove from the Commons underground car park.

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No. of complete years before schooling begins	Total fees secured	Capital outlay
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5	£4,574	£2,532
7	£3,219	£3,082
10	£2,669	£3,770
13	£1,981	£4,278

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FT-Share Information	28-29	Money & Exchange	2
FT-Week's Deals	24-25	Money & Exchange	2
FT-Stamp	15	Money & Exchange	2
FT-UK News	23	Money & Exchange	2
FT-General	3-4	Money & Exchange	2
FT-Labour	4	Money & Exchange	2
FT-Times and Radio	11	Money & Exchange	2
FT-TV and Radio	11	Money & Exchange	2
FT-Unit Trusts	27	Money & Exchange	2
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OFFERS FOR SALE		Money & Exchange	2
Save & Prosper	1	Money & Exchange	2
M and G	8	Money & Exchange	2
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Cartmore Frac. Mts.	6	Money & Exchange	2
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OVERSEAS NEWS

Kampala 'a ghost town' as residents flee shelling

By Mark Webster in Nairobi

AS SHELLS crashed into central Kampala yesterday, the Ugandan capital was reported to be like a ghost town. Remaining residents barricaded themselves in their homes and waited for the Tanzanian-backed invasion force to advance into the city.

A ghost town with the remaining residents barricading themselves into their houses and waiting for the invasion force to occupy the city. Meanwhile one of the Soviet-built Tupolev bombers lent to President Amin by the Libyans was reported yesterday to have bombed the Tanzanian town of Mwanza on the far side of Lake Victoria. One person was injured. The only fatalities were six gazelles.

The Kampala residents said the shelling had sparked off mass panic in Kampala with many residents packing their bags and fleeing. Some embassies, including the French, have told their staff to leave as soon as possible. The UN has told the remainder of its 400 personnel in Uganda to leave immediately. Many of the wives and children have already left the city and are safe in Kenya, according to a UN official.

Tough EEC trade line surprises Japan

By Charles Smith, Far East Editor, in Tokyo

THE EEC's toughly worded document on trade with Japan, reported in Friday's Financial Times, seemed to take the Japanese completely by surprise when news of the document's contents reached Tokyo this afternoon.

JOHN SILKIN'S VALEDICTORY Thumbing his nose at Europe

By Margaret Van Hattem in Brussels



John Silkin—secretly admired by his adversaries

AMID BOOS, jeers and roars of outrage from his EEC colleagues, Mr. John Silkin, British Minister of Agriculture, ended what many of them fervently hoped was his last farm council meeting firmly thumbing his nose at Europe.

Quick manoeuvring and shuffling of agendas for future councils may have succeeded in keeping Mr. Silkin out of Brussels at least until Britain's general election on May 3. But for all his colleagues' determined filibustering, nothing was going to stop him making Thursday night's council the launching pad for his own election campaign.

providing colourful copy for the Press and plenty of opportunities for his opponents on both sides of the Channel to indulge equally publicly in violent denunciation. If he has often held up proceedings in so often a national tangent, he has not been the only EEC Minister to do so.

Teamster pay talks at crisis point

By John Wyles in New York

TRUCKING INDUSTRY pay talks were still far from an agreement yesterday lunchtime and the prospect of a confrontation between the Teamsters Union and the Carter Administration still very much alive.

Progress, or lack of it, in these crucial negotiations has been under a veil of secrecy until yesterday when it was widely reported that the two sides were at last moving closer to agreement.

that the council was adamant that the 58 cents should count as new money, but today's unconfirmed reports suggest that it might allow at least half of this sum to be paid outside the limit. As a result it was reported that the wage difference between the employers and the union was 25 cents to 30 cents an hour—still a substantial margin but one which some observers say can be whittled down by Administration pressure and the reluctance of both sides to get involved in a full-scale confrontation.

Little effect on prices from farm deal

By Christopher Parkes

THE FARM prices package brought back from Brussels yesterday by Mr. John Silkin, the Minister of Agriculture, will have little direct impact on consumers' food bills, nor will it alter anything more than the most marginal boost to the farming industry.

Net effect, the Ministry says, will be a rise of 17p in the weekly food bill for an average family of three. Impact on the Retail Prices Index will be 0.2 per cent—and only after a very long time," Mr. Silkin said.

The green pound is currently over-valued by about 23 per cent. In the past the gap has been more than 30 per cent. For farmers the main effect of the change will be to raise the intervention support prices for key commodities such as butter and dried milk, beef and cereals.

Mr. Richard Butler, president of the National Farmer's Union greeted the 5 per cent devaluation announcement with an immediate demand for a further 10 per cent cut.

Exxon cuts supplies of crude oil

By David Lascelles in New York

EXXON yesterday announced further cutbacks in supplies of crude oil and petroleum products in the U.S., blaming tightness in the world market and a refinery fire.

Supplies of low sulphur crude will be cut back to 65 per cent of contracted levels in April because of the shortage of this particular grade, Exxon said. However, customers will be offered high sulphur crude instead if they want it.

These cuts come on top of the 10 per cent cut in world-wide deliveries Exxon announced in the wake of the Iranian crisis. Reuter reports from Washington: The U.S. may have to impose mandatory conservation measures to honour a pledge to the International Energy Agency to cut oil use by 5 per cent, Mr. James Schlesinger, the Energy Secretary, said.

Turkey close to resuming talks over IMF loan

By Metin Munir in Ankara

TURKEY AND the International Monetary Fund now appear to be moving closer to resuming talks. The critical dialogue between the two was suspended three months ago, complicating all attempts by western banks and governments to put together emergency economic aid for Turkey.

Shah and family fly to Bahamas

By Our Nassau Correspondent

THE SHAH OF IRAN, accompanied by the Empress Farah and their four children, arrived in Nassau by private airliner today and went immediately to Paradise Island where they will occupy a private villa at the Ocean Club.

not known how long he plans to remain in the Bahamas, but family representatives were in the islands in December to investigate the possibility of a permanent home. The Bahamas Government has refused all comment. Security for the Iranians is being provided by Interrel, the security arm of Resorts International, developer of Paradise Island.

Confidence vote clears way for Suarez Cabinet

By Robert Graham in Madrid

SR. ADOLFO SUAREZ yesterday obtained a vote of confidence from Parliament when it met for the first time since the general election on March 1. The vote paves the way for the formation of a Cabinet which is expected to be announced early next week.

DUBLIN BREAKS WITH THE POUND Parity is sacrificed to the EMS

By Nicholas Colchester

It has taken just three weeks for Ireland's membership of the European Monetary System (EMS) to become incompatible with the long-established parity between the Irish pound (the punt) and the British pound sterling. Ireland has had to sacrifice parity to remain a member.

The pound sterling would have been up against its limit against the Belgian franc. The Bank of England would have been forced to intervene heavily to hold sterling down. There would have been speculation whether a revaluation of the pound against the ECU—the basis of the EMS—was planned. Britain would, in short, have been in the throes of a rare "upwards" sterling crisis.

Freed from the pound, the punt returned to a rate within its prescribed limit against all other members' currencies. It was the punt's divergence yesterday against the 24 per cent limits established by the parity grid of each EMS currency exchange rate against every other which caused the problem. For all sterling's strength no currency has yet triggered the divergence indicator—the EMS's second measure of exchange rate movement which monitors the progress of each currency against the ECU basket.

U.S. index of activity falls 0.9%

THE PACE of economic activity in the U.S. is falling off, according to the Government's leading indicator index which dropped 0.9 per cent in February. David Buchan writes from Washington.

S. Africa drops constitution plan

By Quentin Peel in Johannesburg

IN THE face of widespread opposition, the South African Government yesterday agreed to abandon its plan to introduce a new constitution in the current Parliamentary session.

as a major concession—although the prospects for agreement on a compromise must be very slight. Conservative opposition within the National Party is aimed at the proposal for a joint details of the secret propaganda projects launched by South Africa's Department of Information will be given to members of the parliamentary opposition parties.

Both coloured and Indian leaders have rejected the proposed constitution because of its exclusion of the Black population, who must exercise all their political rights within the tribal homelands. The prospect for any accommodation on that issue is practically non-existent.

Yemen unity accord

The Presidents of North and South Yemen yesterday agreed to unite their countries, Reuter reports from Kuwait. Under the agreement reached after three days' talks in Kuwait, the united country will be called the People's Republic of Yemen, with Sana'a—now in North Yemen—as its capital.

China payment delay

The Chinese have postponed down payments they are supposed to make to West German, UK and other European companies under signed contracts worth nearly \$3bn according to Japanese trading company reports, Richard Hanson writes from Tokyo. This would indicate that the Chinese have extended their review of development projects which has already meant the suspension of 29 tentative contracts made with Japanese concerns.

Velasco dies

Sr Jose Maria Velasco Ibarra, a former President of Ecuador, died yesterday after a heart attack. Reuter reports from Quito. Sr. Velasco, who was 88, was elected President on five occasions between 1964 and 1968, but he was overthrown by the armed forces four times and completed only one term, from 1952 to 1955.

Berlinguer demands role in government

By Paul Betts in Rome

WITH THE new administration of Sig. Giulio Andreotti facing the prospect of defeat in Parliament at the weekend, Sig. Enrico Berlinguer, the Communist Party Secretary General, renewed yesterday demands for the direct participation of his party in government.

administration of Christian Democrats, Republicans and Social Democrats, Sig. Berlinguer's keynote address clearly sounded the opening of the Communist Party's campaign for the forthcoming electoral confrontation.

Coming at the same time as the start of the confidence debate in the Senate on Sig. Andreotti's new coalition

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UK NEWS

Killing sets off fears of big terrorist campaign

BY IVOR OWEN

WHEN Mr. Airey Neave began to drive away from the House of Commons car park yesterday afternoon he had every reason to look forward to a relaxed weekend at the end of a momentous political week.

As the Tory spokesman for Justice, Mr. Neave had learned of the fact that he was a terrorist target. At two minutes to three, as he drove his blue Vauxhall up the car park ramp towards the street, the target became a victim.

The blast brought police, MPs and staff rushing from the Parliament building. It shook windows 200 yards away and left the car a mangled but recognisable wreck.

The first policeman on the scene reported the occupant "always... but moving". Mr. Neave was taken to Westminster Hospital, where he died.

Police on the spot ushered MPs and others back inside the building for fear of a second explosion. While they cordoned off the area, a nurse climbed through the car's shattered windscreen to administer what aid she could.

Traffic was diverted over a wide area and the precincts echoed to the wail of sirens from every conceivable emergency service vehicle—from the limousine carrying Sir David McNee, the Metropolitan Police Commissioner, and

his deputy, to the vans of the Special Patrol Group, to the more ordinary, but ominously significant, cars bringing senior officers of the Anti-Terrorist Squad.

Smoke was still spiralling upwards towards the top of the Big Ben clock tower as police sealed off Parliament Square. Within minutes, entrance and exit to the underground car park in New Palace Yard—which is monitored by closed-circuit television—was quickly surrounded by Special Branch and uniformed officers.

In the confusion that followed the explosion, some members of the public walked through the gate near Westminster underground station towards the scene of the explosion. They were promptly rounded up by police and searched before being sent on their way.

Slightly more than half an hour after the explosion, proceedings in the Commons were temporarily halted as Mr. Norman St. John Stevas, Shadow Leader of the House, suggested that a report should be made about what had occurred.

Some 20 minutes later, Mr. Michael Cocks, Government Chief Whip, told the few grim-faced MPs still in the House that an explosion had occurred within the Parliamentary precincts. At that stage Mr. Neave

had not been positively identified as the victim.

There was a subdued murmur of approval when Mr. Cocks suggested that the whole House would join in expressing "the utmost abhorrence" at the outrage.

MPs also signified their approval when he suggested that the Commons, having marked its condemnation of what had occurred by suspending the sitting, should return to the scheduled business. "The work of Parliament must continue," he declared.

Liberty symbol

That view was immediately endorsed by Mr. St. John Stevas on behalf of the Conservative Front Bench and all the minority parties on the Opposition benches.

"We condemn utterly this interference with the work of the House of Commons, which is the symbol of our liberty."

Security at the House of Commons underwent an intensive review after the IRA exploded a bomb in 1974 in Westminster Hall, injuring 11 people.

The bomb exploded in the early morning. A warning had been delivered six minutes earlier. The bombers are believed to have been disguised as workmen building the underground car park, the scene of yesterday's attack. Security chiefs have expected

that the underground car park, in the shadow of the Big Ben clock tower, would provide further opportunities for IRA car bomb specialists when it opened a few years ago.

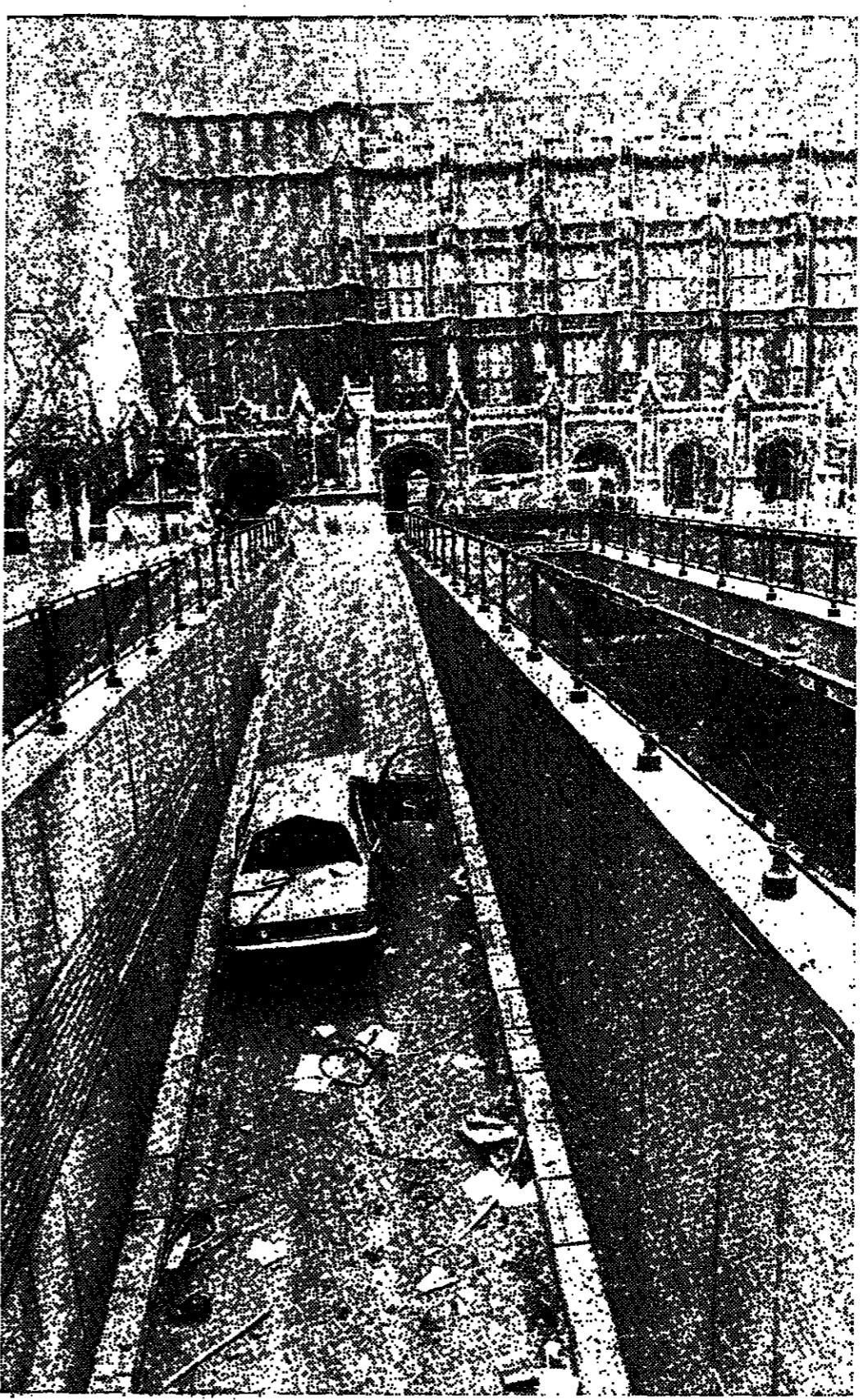
Hitherto, however, there have been no bonnet or boot checks for vehicles arriving at the park, in spite of frequent searches by military police at the nearby Horse Guards Parade car park, often used by Westminster staff.

To counter the potential car park threat, an elaborate system of parking permits to MPs and staff was in use.

It employed plastic stick-on labels, notable for bearing no indication to the public that they are for use at Westminster. The luxury 600-car park is fitted with the most modern closed-circuit television system. Camera lenses on all floors swing continuously, monitoring every car's arrival and departure.

A special security unit was set up in October, 1977, to guard MPs at the Commons, with headquarters in the Palace of Westminster.

The unit was recommended in a report by former Scotland Yard Deputy Commissioner, Sir James Starritt. He was called in to investigate security in the House after CS riot gas was thrown into the chamber from the public gallery.



The wrecked car on the Commons car park ramp.

Airey Neave: A quiet hardliner

AIREY NEAVE seldom needed any introduction, either as a near-legendary figure of World War II or as a Tory spokesman on Ulster's intractable crisis and as a committed enemy of terrorism.

In 1959, when the Conservative Party's chief spokesman on Northern Ireland had established himself as a quietly-spoken hardliner, and however controversial his views on the need to reintroduce the death penalty for some terrorist offences, his cool appreciation of political developments in the province commanded attention.

Yet, for a man who has been in and out of the public eye for 35 years, and whose parliamentary career as MP for Abingdon stretches back over a quarter of a century, Airey Neave has eluded clear-cut assessment of his political achievements.

In 1959, when a minor heart-attack ended his term as Parliamentary Under Secretary of State for Airey Neave, Edward Heath, the then Tory chief whip, reportedly commented: "Well, that's the end of your political career, then." Residence was perhaps Airey Neave's main underlying characteristic, for in 1975, as Mrs. Thatcher's campaign manager he helped out Mr. Heath from the party leadership.

It was the post-war publication of *They Have Their Exit*, the account of his 1942 escape from the Colditz Castle maximum security German prisoner of war camp, that established Mr. Neave as a public figure and added lustre to an already distinguished Army career that had won him the Military Cross.

A further dimension was added last November, with the publication of his book *Nuremberg*, a personal record of the trial of the Nazi war criminals that Airey Neave had participated in as Assistant Secretary of the International Military Tribunal.

In his career as spokesman on Ulster, Airey Neave presented many of those he met with a conundrum. Both journalists and fellow politicians found it hard to reconcile his gentle manner and courteous consideration of others' political views with the tough policies that he advocated.

At a time when the Northern Ireland Government was attempting to lower Ulster's political temperature, Mr. Neave made interventions that enraged not only local Republican and Loyalist opinion alike but seriously worried even senior Army officers. He suggested that alleged terrorists should be required to demonstrate their innocence, and in 1977 he called for the reintroduction of the death penalty for terrorist murderers.

His ability to touch sensitive political nerves was further demonstrated last October, when he found himself at the heart of a political row following a speech in Yorkshire in which he compared the return of another Labour government to the rise of the Nazi Party in the 1930s, and alluded to the "machinery" of totalitarian bureaucracy.

Airey Neave was not a fatalist, but a man who made it plain that he was determined to act as he felt his duty dictated.

Security chiefs expected new outrage on the mainland

BY STEWART DALBY IN DUBLIN

SECURITY FORCES chiefs have been expecting the Provisional IRA to try something "spectacular" on the British mainland for some months.

The most comprehensive if anonymous statement of the Provisional IRA has made in the past two years came last August in a lengthy interview in Dublin's *Magill* magazine.

The interview took place in Belfast with the editor Mr. Vincent Browne. The IRA man, the magazine said, was known to Mr. Browne as a senior member of the leadership and it was also known that he was specifically authorised to give the interview.

Asked why the IRA had been quiet for most of 1977 and the first part of 1978, a silence which unfortunately led Mr. Mason, the Secretary of State for Northern Ireland to claim that the Provisionals were on the run—the unnamed man who was thought to have been a member of the seven-man military council said there were three reasons.

First there was a massive reorganisation. The IRA had been organised in battalions and brigades. These were cumbersome to run and leaky to an extreme. They were based on geographical areas in Northern Ireland and, therefore, not suitable for operations abroad. The new structure was in the form of a slimmed down command and formation of four-man active service units. These, the man said, "are organised on the basis of expertise rather than

locality. The calibre of new recruits was improved and many were turned down, again and again, according to the IRA man.

"We don't have as many volunteers as we did five or six years ago and this is no bad thing. People were joining for the wrong reasons—now we have a much more political volunteer corps. It is a much tighter knit organisation and far more effective."

The second reason was the shortage of explosives. The IRA found it difficult to acquire material, but by October 1977 it had developed a manufacturing process of its own.

The third reason for the reduction of activity was the more sophisticated nature of British surveillance.

The threat was specifically made in the interview that "once we have solved the logistical problem, which is formidable in England—formidable because of the massive surveillance there—the campaign will resume." Apart from this statement it was also known that if the IRA did resume activities, it would in all likelihood go for "soft" or "economic" targets. The bombing of the La Mon restaurant outside Belfast in February last year, when 13 people were killed, was acknowledged to have been a great mistake. It caused widespread revulsion and a great loss of sympathy, the IRA apparently resolved that their targets

would be factories and other economic centres. They would probably bomb at night so the loss of life in the province and particularly among Catholics who tacitly support them would be minimal.

When in that month the IRA reopened activities in a major way with bombings in 13 towns in Northern Ireland, senior police officers were able and willing to flush out what they thought was the IRA strategy and goals.

Yes, they said the IRA had reorganised and become more formidable. The recruits were of a higher calibre, usually older than the traditional newcomers. More like 27 to 30 years rather than 17 and 18. They had little IRA or criminal form.

The structure meant that each member knew only three other people in the organisation, although the leader would know four people since he would receive the orders. They were the kind of men who could withstand the psychological pressure of long periods of loneliness in foreign countries as "sleepers."

More than this, the police in particular said, the IRA had developed effective anti-interrogation techniques. The police said that suspects were more easily able to endure the seven-day detention period allowed the authorities under the Prevention of Terrorism Act. They had also become more skilful in their use of propaganda. Thus the H-block campaign has

come across to some extent as legitimate human rights grievance even though the prisoners' miseries are self-inflicted. The Provos have learnt how to exploit situations, like, for example, the Bennett Report into alleged mistreatment of prisoners to their advantage.

The very large American Irish American community has been very important in funding the Provisional IRA in the past, and although money dried up for a while, Government officials in Belfast say it is on the rise again.

But the Provisional IRA does not need money. There were countless bank robberies in the Republic last year netting some £1.8m. Many if not most of these robberies were for and on behalf of the Provos. In Northern Ireland alone last year, there were more than 300 robberies netting £255,000.

The Provisionals have as many automatic rifles as they need AK47, armalites, the U.S. M.16 as well as small arms, and some M.60 machine-guns. They have lots of explosives and are now increasingly using the smaller 10-lb car bomb instead of the older 200 lb bombs crammed into car boots.

Just two weeks ago, a Provisional mortar bombed a police station in Armagh, using this kind of weapon for the first time it is thought. In short the Provisional IRA today is a leaner military organisation of much greater political sophistication than ever.

Edge Hill: how a switch in tactics helped revive David Steel's fortunes

BY RICHARD EVANS, LOBBY EDITOR

THE REMARKABLE Liberal victory in the Liverpool Edge Hill by-election was greeted, predictably, yesterday as a breakthrough by Liberal leaders and as a freak result in a freak constituency by the two major parties.

What it undoubtedly will do is to galvanise Liberal activists into increased efforts at just the right time. Mr. David Steel's party could not have had a more timely boost to morale.

The major question in electoral terms will be how well the substantial Liberal vote of 1974 holds up nationally, and the impressive Edge Hill result still leaves this question open.

Mr. Steel's tactics in the last two years, and particularly, since the end of the Lib-Lab pact in the summer, have been to concentrate the party's modest resources on about 20 key constituencies which he believes the Liberals have a chance of winning. Edge Hill was about half-way down this list.

The tactic, should it pay off, could bring in a number of surprise results in the General Election and it could even maintain double-figure Liberal representation in the Commons.

Conversely, the party's resources will be spread much more thinly than in previous General Elections, and support might suffer overall.

The Liberals are still showing very little sign of an electoral upsurge, and their potential impact on the overall General Election result remains unclear.

An abject Mr. Steel said yesterday that he was now convinced the party would emerge from the election with a substantially larger representation in the Commons.

LIVERPOOL, EDGE HILL. D. Alton (Lib) 12,945; R. Wearing (Lab) 4,812; N. Ward (C) 2,906; N. Jowker (Law and Order) 337; A. Walker (Soc. Unity) 127; M. Taylor (Gay Lib) 40; W. Boaks (Dem. Monarchist) 32; Liberal majority 8,133. October, 1974: Sir A. J. Irvine (Lab) 13,023; D. Alton (Lib) 6,852; S. M. Perry (C) 5,208. Lab majority 6,171.

His idea is to capitalise on the experience gained at Edge Hill and in similar constituencies where much time and trouble has been spent on building a strong local organisation. At Edge Hill, for example, the local party had only six mem-

bers in 1972. This has now been expanded to a paid-up membership of 1,500.

During this period, Mr. David Alton, the new MP, and his colleagues have captured all but one of the Edge Hill Liverpool city council seats, and the Liberals also hold three of the area's four seats on the county council.

This success has been achieved by the familiar Liberal tactic of making maximum use of sensitive local issues and by conscientious and unstinting service at local level.

Mr. Alton has led local campaigns against urban motorways and in favour of housing action areas, and he has fought to save schools and local maternity units facing closure. He also dispenses advice at twice-weekly sessions, and makes certain he is known throughout the area.

In addition, the party realising it stood a chance of toppling Labour's substantial 6,000 majority, poured in help from all over the country. Caravans came from as far as Glasgow and Eastbourne to

make sure the Liberal message was the one that got across.

One turning point of the campaign came at the weekend before polling, when Mr. Cyril Smith, MP for Rochdale, arrived with coachloads of enthusiastic Liberal women from his own area. After they had been in the constituency for a few hours, no one was in any doubt about the vitality of the Liberal campaign.

Whether this blanket coverage can be repeated in a General Election campaign remains to be seen; but concentration on a limited number of seats could have a significant effect on voting patterns.

In a speech to the Welsh Liberal Party conference at Rhyl last night, Mr. Steel said the party owed Mr. Alton and his team an enormous debt of gratitude. "They have worked hard—not for three weeks but for seven years."

He believed a bigger wedge of Liberals driven into the next Parliament would transform the "politics of failure" represented by the Tory-Labour clash.

That was the price exacted by Conservative leaders before they agreed to exclude the Bill from the list of measures abandoned in the rush to prepare for the General Election on May 3.

The Bill was given an unopposed third reading in the Commons yesterday and is expected to be approved by the Lords next week.

Mr. David Hunt, chief Conservative spokesman on the Bill, when it completed its passage

Bank Bill agreed—others lapse

FINANCIAL TIMES REPORTER

THE Banking Bill, which will receive its third reading in the House of Lords on Monday, will contain compromises on important issues. Both sides clearly wish the Bill to go through.

The most significant change probably concerns the position of non-EEC foreign bank branches. Banks in that category that would have been classified as licensed deposit takers, rather than banks, would have been forced to change the name of their UK operations to exclude the word "bank" from their titles under the existing provisions.

The compromise that seems likely to become law will simply put those institutions in the same position as their EEC counterparts: they will be allowed to continue with existing names in the UK, provided that the name is followed by the description "licensed deposit taker."

The only big area of disagreement under discussion relates to the Consumer Credit Act. A Lords amendment to the Bill would have exempted the banks' overdrafts from the provisions of the Act.

A new Companies Bill might emerge in the next session of Parliament, but the present Bill before the House, with its controversial proposals to outlaw insider dealing, has lapsed.

If elected, the Conservatives are likely eventually to bring in a Bill closely modelled on the newly lapsed measure.

The Conservatives had disagreed with the Government on the present Bill, which had been in the Committee Stage since last December, on many points of principle. It appeared possible that agreement might not have been reached by the Third Reading.

Parts of the Bill, designed to implement the EEC second directive on company law, had been agreed. The non-controversial part of the Bill might be presented as a separate measure.

To ensure the passage of the Merchant Shipping Bill before the dissolution, the Government has been forced to drop the controversial provision to prevent leading British shipping companies from coming under foreign control.

That was the price exacted by Conservative leaders before they agreed to exclude the Bill from the list of measures abandoned in the rush to prepare for the General Election on May 3.

The Bill was given an unopposed third reading in the Commons yesterday and is expected to be approved by the Lords next week. Mr. David Hunt, chief Conservative spokesman on the Bill, when it completed its passage

through the Commons, maintained that the clause giving the Government power to ban such deals might have threatened London's position as an international shipping centre and prejudiced the role of one of Britain's most important free-enterprise industries and a big earner of foreign currency.

Mr. Stanley Clinton Davis, Under-Secretary for Trade, made no attempt to disguise how reluctant the Government had been to drop the provision, and gave notice that a further attempt would be made to deal with the issue at the earliest opportunity.

Although the Government's Housing Bill, published only a week ago, becomes an important casualty legislation on housing can still be expected whichever

party wins the election. If Labour is re-elected, the Government can be expected again to put the Bill forward.

Another casualty of the swift ending of Parliamentary business is the Estate Agents Bill, which has gone through the Commons and completed the committee stage in the House of Lords.

The Government still hopes that the unexpectedly controversial Weights and Measures Bill will complete its final stages in the Commons and Lords before Parliament rises on Wednesday.

The Education Bill, almost certain to lapse with its Commons committee stage uncompleted, entails a reduction of parents' power to have their children sent to the State school of their choice.

A shortage of ballot boxes, confusion over the colour of voting slips and the problems of counting are some of the difficulties foreseen.

In some constituencies voters may have to use two polling booths because of differences between parliamentary and council constituency boundaries.

There is also concern that confusion may arise from Parliamentary candidates appearing on one ballot paper while councillors are listed on another.

This is expected to result in many more spoilt ballot papers. Some local authorities do not believe they have sufficient ballot boxes although this may be overcome by borrowing ballot boxes from London local authorities where there are no council elections this year.

Parish Council elections, which were also due on May 3, have been postponed for three weeks but the National Association of Local Councils argues that this will result in a low turnout and could cost the taxpayer an extra £250,000.

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Local authorities fear dual election day difficulties

BY PAUL TAYLOR

AFTER THE Government's decision to hold the General Election on the same day as district council elections some local authorities were expressing concern yesterday about the complications and difficulties this is likely to cause.

Mr. Merlyn Rees, Home Secretary, is to make a statement about the complex organisation of the dual elections on Monday, but he is unlikely to quell the disquiet felt by some returning officers.

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Record electorate of 41m

FINANCIAL TIMES REPORTER

MORE PEOPLE than ever will be eligible to vote in the General Election.

Figures out yesterday show that the electoral registers that came into operation on February 16 contain a record

41,569,787 names. Even excluding under-18s not yet eligible to vote, the polling day electorate looks certain to top 41m.

At the October, 1974, election, the figure was 40m.

STATE OF THE PARTIES. Labour 307; Conservatives 243; Liberal 11; SNP 11; Plaid Cymru 3; Scot. Labour 2; Ulster Unionists 7; Dem. Unionist 1; UJU Party 1; Ulster Unionist Independent 1; SDLP 1; Independent 1; Speaker 1; Vacant seats 2 (Chipping Barnet; Derbyshire North-East).

UK NEWS

Government urged to spend £300m on Welsh coalfield

BY JOHN LLOYD

A GUARDED recommendation that the Government should put more than £300m in investment and grants into the long-making South Wales coalfield over the next five years has been made by a bipartisan group comprising Government, mining unions and National Coal Board, set up last year to investigate the area's problems.

The area made an operational loss in its deep mines of £42m in 1977-78, and is forecast to lose £44.5m this year.

The group's report, published yesterday, reveals that the British Steel Corporation is importing 180,000 tonnes of coking coal from West Germany, believed to be £2 a tonne more expensive than equivalent Welsh coking coals.

A replacement of the German coke with Welsh coke could save stocking and interest charges and would represent a net annual saving to the balance of payments of £7m to £8m. The report recommends that the Coal Board should handle all UK coal imports after consultations with the Government. British Steel is already under fire from the Government for signing a £60m contract with Australia for the supply of 2m tonnes of high grade coking coal for the Redcar steelworks on Teesside. While that coal is

about £10 a tonne cheaper than the equivalent from the coal board, British Steel says that quality, not price, has determined its purchase.

The report says that a three-pronged programme should be undertaken if the coalfield is to be returned to viability by 1983/84. Its suggestions are:

● A programme of investment, estimated by the coal board to be £41m a year over five years, including £16m a year for the development of a new colliery at Margam.

● A plan to deal with losses. The report does not recommend colliery closures specifically, but says that "special attention should be given under established colliery review procedures to collieries incurring heavy financial losses. The coal board says that £17m worth of "unproductive capacity" would need to be removed to achieve the target of financial viability by 1983/84.

● A willingness by Government to support the coalfield over the five-year restructuring period. No figures are given for amounts of support, but the coal board's submission to the study group says that it should be "consistent with deep mine operational losses," and inflation-linked. These losses are expected to be £112.5m in the five year to 1984.

Lending to industry by banks up sharply

By David Freud

BANK LENDING to manufacturers rose sharply in the three months to late February, although the figures are likely to have been boosted by the industrial disputes and bad winter, as well as the usual seasonal factors.

The Bank of England's quarterly analysis of bank advances and acceptances, published yesterday, also shows rapid growth in lending to the service sector.

Borrowing by individuals—other than for house purchase—was, however, flat following the rapid growth earlier in the year.

A substantial proportion of the rise in the latest three-month period was due to seasonal factors, including the addition of interest charges at the end of the calendar year.

Sterling loans to manufacturers rose by 8.8 per cent to £10.4bn in the three months to February 21. Over the year as a whole, however, the rate of increase was much slower, with a rise of 19.3 per cent recorded since February, 1978.

Within the manufacturing sector there was a big rise in sterling lending to engineering companies, up 9 per cent at £2.9bn over the quarter, and 25 per cent up over the year.

Sterling lending by banks to the service sector rose by 9.3 per cent in the latest quarter, and by 23.5 per cent in the 12-month period.

There was particularly rapid acceleration in the last three months in the professional, scientific and miscellaneous category, which includes lending to leasing companies. In the latest quarter lending rose by 14.8 per cent to £4bn, against a 28.5 per cent rise for the whole year.

Green Paper broaches 'open government'

By Paul Taylor

THE GOVERNMENT published its belated proposals for improving access to official information yesterday. A Green Paper proposes a code of practice, drafted by a Commons select committee, detailing arrangements for making more Government documents available on request.

The Green Paper was published with a White Paper examining "open government" practices in nine countries.

It is issued in the wake of growing support for Mr. Clement Freud's Private Bill on the subject. While it reiterates the commitment of the Government to give more information to both MPs and the public, it makes few positive proposals.

Much of the need for legislation now "detracting from the basic principle of Ministerial responsibility."

What information would be available under the proposed code, how much the changes would cost, and how it would be monitored are left unanswered.

Instead the Paper says there is scope for more discussion on these and other matters, and suggests a Commons select committee to discuss them.

This may be regarded by supporters of Mr. Freud's Bill as a further delaying tactic.

Building societies may cut deposit share

FINANCIAL TIMES REPORTER

BUILDING SOCIETIES are unlikely to continue increasing their share of the personal deposit market as fast as in the last few years. In that period they increased it from 42 to 53 per cent, while the clearing banks' share declined from 45 to 35 per cent.

These are some findings of a bulletin published yesterday by Lloyd's Bank, prepared by Mr. Christopher Johnson, the bank's economic adviser.

Mr. Johnson believes building societies will go on competing with banks on interest rates to attract personal deposits. But the banks are moving into home loans, so that there is an important area of overlap.

For many financial services banks and the societies are complementary rather than competitive.

The bulletin says that building societies are meeting more competition in the mutual savings banks area.

"The trustee savings banks are becoming increasingly competitive in the personal market with both clearing banks and building societies; so is the Co-operative Bank, in a much smaller way."

Mr. Johnson believes that the National Savings Bank is unlikely to increase its market share of personal deposits, but that the National Giro is identified as competing strongly on a number of basic banking services.

Overall, he concludes that competition is not in danger in the market for personal deposits.

The six London clearing banks share more than a third of the sector as a whole.

EMI to quit cable television and studio equipment markets

BY JOHN LLOYD

LOSSES, thought to total £2m over the past five years, have led to EMI withdrawing from the television studio and cable television equipment markets.

The company will sell its cable TV interests to Jerrold Electronics, a subsidiary of the U.S. company, General Instruments, for about \$500,000.

The TV studio operation will close completely. The other activities of the company's sound and vision division—including closed-circuit TV equipment, telephone dial production and electronic equipment serving—will continue at plants in Hayes, Middlesex, and Treorchy, South Wales.

The decision affects nearly 400 of the division's 1,500 employees. About 230 will move to EMI's defence electronics division in Hayes, while some others may transfer to Jerrold's plant in High Wycombe, Bucks.

EMI said yesterday that every effort would be made to find jobs in EMI's other businesses for other employees affected. Fierce competition from

manufacturers in continental Europe, the U.S. and Japan, and world overcapacity in TV studio equipment manufacture, have caused the losses.

Since the boom years of the late 1960s and early 1970s, when TV companies worldwide were equipping their studios for the first time, orders have fallen away sharply as the market became predominantly a replacement one.

Mr. Rex Thorne, managing director of EMI Industrial Electronics, said last night: "We have continued to strive to put our studio and cable TV businesses on a viable footing, but the consistently unfavourable market climate, with worldwide overcapacity and soaring development costs, forces us to the reluctant decision to withdraw from these markets."

By agreement with Jerrold, production of cable TV products will continue over the next two years at the Treorchy factory, and Jerrold will fulfil EMI's existing commitments to cable TV customers.

Stock Exchange criticised by accounting expert

BY MICHAEL LAFFERTY

THE STOCK EXCHANGE was criticised yesterday for failing to enforce the terms of its listing agreement applicable to accounting standards on quoted companies. The attack came from Mr. Norman Hunter Smart, outgoing president of the Scottish Institute of Chartered Accountants, at the Institute's annual meeting in Edinburgh.

Mr. Hunter Smart said that the Scottish Institute believed the Accounting Standards Committee should be more evenly representative of preparers and users of accounts. "Further, I personally endorse the view expressed by others that if the Stock Exchange seriously enforced the terms of its listing agreement, accounting standards would be more scrupulously and widely achieved."

The Scottish accountants' president said he would welcome "more visible signs of support" from the other bodies representing the interests of industry and commerce. "I fear a negative attitude on their part may only encourage the politicians in their quest for further areas of control," he added.

The Stock Exchange has told the accountancy bodies that it does not wish to get involved with the enforcement of existing accounting standards on quoted companies. Instead, the Exchange is believed to favour a requirement for disclosure of departures from accounting standards in directors' reports.

Mr. Geoffrey Knight, the Stock Exchange deputy chief executive, commented yesterday that the Exchange wanted the accountancy profession to lay down "some basic building blocks" before getting involved in the area of enforcement. "When that happens, we believe companies will follow," he said.

First exploration well is drilled off Land's End

BY KEVIN DONE, ENERGY CORRESPONDENT

THE BRITISH National Oil Corporation has completed the first wildcat exploration well to be drilled in the south-western approaches, about 175 miles to the south-west of Land's End. No details have been released about the well.

The State oil company is keeping secret geological information gained from the operation, for trading with other oil companies.

Fifteen blocks have been awarded this week in the south-western approaches as part of the conditional licences granted under the sixth round of offshore licensing. For the moment ENOC has a monopoly on detailed geological information.

Lord Kearton, chairman of BNO, said yesterday: "If we had found another Forties we would have announced it. But it was not entirely discouraging."

He said that the BNO well cost about £2m to drill. British Petroleum now successfully drilling on Block 87/12, also ran into difficulties and gave up its first attempt to begin a well.

Miners' million

HEM HEATH Colliery, at Trentham, Stoke - on - Trent, Staffordshire, produced its millionth ton of coal in 12 months yesterday, the last normal production day of the financial year. Only 19 of the National Coal Board's 230 collieries in the UK have achieved the 1m tonnes.

Woolworth must name its supplier of 'Chanel'

The F. W. Woolworth store group was ordered by a High Court judge yesterday to reveal its supply sources of perfumes and toiletries using the "Chanel" trade mark.

The order was made at the request of Chanel Limited, which is fighting a court action to stop Woolworth selling products not manufactured by Chanel but which use its trade mark.

Woolworth voluntarily gave a "no sales" undertaking pending full trial of the action but the company's counsel, Mr. Richard Miller, argued against revealing the source of supply. He told Mr. Justice Goulding: "There is no allegation that we are pirates, and there is no evidence that our products are inferior."

He said Woolworth wanted time to discover the connection between the three Chanel companies—Chanel SA, of France; Chanel Inc. of the U.S.; and Chanel Limited, of Britain. He argued that Chanel Limited would not suffer any damage if the source remained undisclosed in the meantime.

The judge ordered the source to be revealed within seven days.

Short Bros reports deficit

By Our Belfast Correspondent

SHORT BROTHERS, the State-owned aircraft and missile manufacturer, reports a heavy loss before tax of £8.75m in the year to last August 31, nearly double the previous deficit of £3.3m.

The company's turnover rose from £36.6m to £44.4m, but it suffered an operating loss of £8.75m. Exports accounted for about 70 per cent of turnover.

Sir George Leitch, chairman, in the company's annual report, says he is optimistic about prospects for an upturn in every part of the company's business, but he says this would hinge on its ability to increase output.

He refers to problems of productivity and pay structures. Production at the company's main factory and its subsidiary plants was halted last week by a strike over a pay claim.

The report is optimistic about continued sales of the Shorts' 330 commuter aircraft in world markets.

The company secured its first UK sale of the aircraft last week. Loganair of Scotland purchased two, which, with spares, are worth £2.5m.

Finance House base rate matches MLR

Financial Times Reporter

FINANCE HOUSE base rate has been set at 13 per cent for April, a fall of half a point on the March guideline figure. The rate is now in line with minimum lending rate and the clearing banks' base rates.

The rate is objective and is calculated at the end of each month by averaging the cost of three-month money in the inter-bank market for the previous eight weeks and rounding up to the nearest half point.

Natsopa taking legal advice on property cash

BY ALAN PIKE, LABOUR CORRESPONDENT

THE National Society of Operative Printers, Graphical and Media Personnel is seeking legal advice on whether to take civil proceedings to recover money which may be owed to the union from property sales.

A decision to consider civil action has been taken by the NATSOPA governing council and is expected to be put into effect by the executive next week. This follows a special audit of the union's accounts by Baker Sutton and Co., the City accountants, called for by the governing council last year.

This week, the governing council also agreed to changes in the financial organisation of one of the union's companies and that "bearing in mind the difficulties in obtaining information about past companies due to the destruction of records after liquidations, that in future no companies associated with the society, or owned by the society or its officers with executive council permission, shall have their records destroyed."

The governing council instructed that all such records should in future be lodged at

the NATSOPA head office for future reference.

Other inquiries are continuing into companies set up through the union or by officers in their own authority and Swiss bank accounts. When these are complete the governing council will decide whether further civil proceedings or action under the union's rules should be considered.

The Baker Sutton report to the governing council includes a statement from Lord Brighshaw, general secretary of NATSOPA from 1951 until he retired in 1978. He was in office during the period when the 1971 Conservative Industrial Relations Act was in force and NATSOPA leaders took action to protect the union against possible sequestration of its funds.

Mr. Owen O'Brien, who succeeded Lord Brighshaw as general secretary, said yesterday that the union would in future be presenting its balance sheets and financial statements in line with the form adopted by Baker Sutton in their report. NATSOPA was at present in a financially healthy position.

Print union rule 'a claim to censorship'

FINANCIAL TIMES REPORTER

A PRINT UNION has no right to decide what news, views or advertisements go into a newspaper, a QC argued in the Appeal Court yesterday.

Mr. Denis Henry said that a rule of the National Graphical Association stopping its members assisting an "antagonistic employer" was "nothing more nor less than a claim to censorship."

The union's blocking of advertisements from concerns which advertised in a Nottingham newspaper was an unlawful interference with the freedom of the Press, he claimed.

Mr. Henry appears for Westminster Press, which, with other national and provincial newspapers and advertisers, is trying to have a blocking campaign at the Nottingham Evening Post stopped by the court.

The union referred the dispute to the Appeal Court following a judge's temporary order last week that the blocking should be lifted. The union mounted the campaign as part of its recognition dispute with T. Bailey Forman, owners of the Post.

It has said it is no part of its policy to infringe the freedom of the Press.

Mr. Edward Evans-Lombe, QC, complained that the NGA was causing others who needed jobs to suffer as a result of its advertising ban. On behalf of Boots, one of the advertisers affected, he told the court that the Post was the company's major advertising medium for staff vacancies (Boots has its headquarters at Nottingham).

"This union, in pursuit of the extension of its own powers, is prepared to let others who need jobs suffer," he said, "just as it is prepared to imperil other papers in which its own members are employed."

More theatre talks

BY PAULINE CLARK, LABOUR STAFF

FRESH TALKS aimed at ending the unofficial action by stage hands at the National Theatre were started yesterday at the London regional office of the Advisory Conciliation and Arbitration Service.

The meeting between Mr. Michael Elliot, the NT general administrator, and Mr. John Wilson, general secretary of the National Association of Theatrical, Television and Kine Employees, was described as concerned mainly with clarifying the two sides' positions with an ACAS officer present.

The NT's own agreed disputes procedure has yet to be exhausted although both sides have suggested asking for help from an arbitrator during the past week.

The industrial action which last weekend closed the theatre and which has since led to drastic changes in performance schedules in the three auditoriums looks like continuing at least until the beginning of next week.

By this Sunday, the NT estimates that the total cost in potential lost revenues because of the dispute will amount to £145,000—the biggest loss in the three year old history of unofficial strikes.

In demanding a cast-iron agreement to prevent further disruptions, the management has taken a firm line with the 30 stagehands now in dispute. But this appears to have met with a tough union response.

The stage hands have refused to accept a 5 per cent pay offer with another 4.6 per cent productivity in spite of acceptance of the deal by other NATTE members in the theatre.

Management claims however, that the offer cannot be improved because of a directive from the Arts Council to keep within the Government's pay guidelines.

Tube staff reject 6½%

By Our Labour Staff

LONDON TRANSPORT yesterday told the three rail unions representing the workers on the Underground that it would not make a wage offer above the guidelines. With special provisions for the low paid this represents about 6½ per cent.

The unions, which are seeking increases of up to 20 per cent, told management that its response was totally unsatisfactory. Pay negotiations covering about 15,000 workers are scheduled to resume on April 10 when the report of a joint union-management working party studying improvements in productivity will also be discussed.

Union officials have warned of the possibility of industrial action if there is no substantial improvement in the offer. Settlement is due at the end of April.

RTZ joins Cornish tin mine rescue bid

BY PAUL CHEESERIGHT

RIO TINTO-ZINC, the London mining house, is seeking Government assistance for an exploration programme at the Wheal Jane tin mine, near Truro, Cornwall.

The mine, owned by Consolidated Gold Fields, stopped production last May, making more than 400 redundant in an area where unemployment is double the national average.

RTZ said yesterday that proposals outlining conditions for exploration work lasting 16 months have been sent to the Department of Industry. The work aims "to evaluate the viability of a mining operation."

The department said the proposals "take the form of a request for financial assistance." Consideration of them would be "prompt." Should the Depart-

ment consider them favourably, which seems likely in the light of its wish to provide jobs, they would be forwarded to the Industrial Development Advisory Board and thence to the Minister for final decision.

RTZ's approach to the Government is a victory for Mr. Robert Sprinkel, the U.S. businessman, who since last October has been trying to construct a £8m rescue package for Wheal Jane.

He has been seeking support, both financial and technical, from RTZ and this he has now received but not quite in the form he would have chosen.

Before Christmas he was expecting production to resume at Wheal Jane this year. At best he will be delayed 12 months.

Office workers evacuate 'unsafe' tower block

BY RHYS DAVID, NORTHERN CORRESPONDENT

SEVERAL HUNDRED office workers were moved at short notice yesterday from Rodwell Tower, a 17-storey block in the centre of Manchester, after an independent engineers' report said it was unsafe.

The building, put up in 1965 and valued at £1.5m to £2m, is owned by Legal and Assurance Pensions Management, a subsidiary of Legal and General.

The principal tenant is Courtaulds, which uses it as its Northern headquarters. Other occupants include Burroughs, the electronics group.

Legal and General said that there were "problems" with the 77,000-sq-ft building, which stands over the Rochdale Canal opposite Manchester's main railway station, but said the engineer's report was unduly alarmist.

Officials of Manchester City Council Engineer's Department called in to examine the building also took the view that at this stage the structure was not dangerous.

The problem concerns steel linking floors to the concrete side-structure. Cracks have appeared in the floors. Jon Walton and Partners, consulting engineers, told Legal and General in a recent report that the steel would have to be strengthened.

Tenants were informed in January that this work would begin in April, but it was not expected that any general evacuation would be needed. Total cost of the renovation is put at £150,000.

The tenants in the meantime have commissioned their own report from another consulting engineer, Mr. Bernard Clark. His finding led to yesterday's decision by the occupants to quit.

Legal and General said that it believed the building was safe in the short term, but was now seeking a second opinion in the light of the concern expressed by tenants.

It was hoped to appoint consultants next week, but their report would not be ready for several weeks.

Sotheby's and Christie's court action in May

FINANCIAL TIMES REPORTER

THE FIRST ROUND in a High Court action against Sotheby's and Christie's alleging collusion in introducing a buyers' premium in 1975 will take place in May. This was agreed when lawyers for the two auctioneers and for the group of dealers who have brought the action appeared before a High Court judge yesterday.

Sotheby's and Christie's have said they will vigorously oppose the claim.

Christie's has expressed surprise that it should have taken so long for the action to be brought. The decision to do so is said to have followed a court

ruling in November allowing the Customs and Excise to charge Value Added Tax on the buyers' premium. Since 1965, VAT has been charged to the auctioneer.

Christie's has also said that in introducing the buyers' premium it had been following continental practice and that when continental dealers had stimulated the London market two years ago they had taken the premium for granted.

The nine complainants who have brought the action are members of the British Antique Dealers' Association and the Society of London Art Dealers.

Training aid for BSC

THE British Steel Corporation is to receive nearly £1m from the European Economic Community for retraining redundant Clyde-side steelworkers.

The EEC grant of £473,600, will go towards the £1m the British Government expects to have to spend in "readaptation aid" for the 842 men made jobless by the closure last year of the Clyde Iron Works.

Clyde Iron traditionally supplied hot iron to the nearby Clydebridge open hearth furnaces. When the furnaces closed this year the need for Clyde Iron's unfinished product disappeared.

The corporation's workers at Shotton, north-east Wales is to receive £56,000 to help to retrain 200 redundant sheet finishing workers.

Abbey National seeks role as landlord

BY EAMONN FINGLETON

A MAJOR role for building societies in providing homes to rent for young people has been suggested by Mr. Clive Thornton, Abbey National Building Society's new chief executive.

He wants the next Government to lift the present legislative ban on building societies owning property other than their office premises needed for savings and mortgage business.

Mr. Thornton said that a gap is opening up in the housing market because of the exodus of private landlords due to the

latest Rent Act. Building societies were ideally equipped, thanks to their social objectives, to take over the role of landlord for young people who did not want to be tied down with a mortgage.

The new role would not put any significant extra pressure on societies' cash resources because the new tenants would be people who would otherwise want a mortgage.

Mr. Thornton's suggestion was welcomed yesterday by the Conservative expert on the environment, Mr. Hugh Rossi.

Mr. Rossi said: "We have been racking our brains as to how to breathe some life back into the privately-rented sector. Insurance companies and other institutions which once invested heavily in rented housing are reluctant to return because even if we repeal the latest Rent Act they fear that future governments would bring in new rent controls."

"The private landlord's share of the housing market has been declining since 1914 and is now down to 14 per cent. We reckon that to meet the potential demand that figure could easily be doubled."

THE NETWORKS COMPARED

	Staff numbers	Full branches		Other branches		Personal sector accounts		Total deposits £bn
		Current	Deposit	Current	Deposit	Current	Deposit	
Building Societies	43,000 <sup>1</sup>	4,400	17,000 <sup>4</sup>	Nil	25.3m	Nil	25.3m	32.8
London and Scottish Clearing Bank	240,000	9,300	3,750 <sup>5</sup>	19.4m <sup>8</sup>	13.1m	19.4m <sup>8</sup>	11.1m	20.5
Clearing Bank	240,000	9,300	3,750 <sup>5</sup>	2.2m	11.1m <sup>10</sup>	2.2m	5.0	20.5
Trustee Savings Bank	17,000	1,650	Nil	Nil	21.4m <sup>11</sup>	Nil	21.4m <sup>11</sup>	3.0
National Savings Bank	4,400 <sup>2</sup>	1,600 <sup>2</sup>	18,400 <sup>6</sup>	0.5m <sup>12</sup>	0.5m	0.5m <sup>12</sup>	0.5m	0.312
National Girobank	4,000 <sup>2</sup>	1,600 <sup>2</sup>	21,400<					



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My address is: I am a resident in the United Kingdom and I am over 18 years of age. I am not a partner in any business and I am not a director of any company. I am not a bankrupt and I am not a minor. I am not a disqualified director of any company. I am not a disqualified director of any company.

Signature: \_\_\_\_\_

First Name in Full: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

FT 2103 HI

### UNIT TRUST AND INSURANCE OFFERS

Company	Page
Save & Prosper Group Limited	1
M & G Group	4
Arbuthnot Securities Limited	5
Gartmore Fund Managers Limited	6
Equity & Law Association Limited	6
Schlesinger Trust Managers Limited	7
London Life Limited	7

## Giving away a house

BY OUR LEGAL STAFF

The question and answer under "Giving away a house," January 27, is of great interest, but I would have thought it is possible to fulfil the requirements in a far simpler and easier way: if the house owners were to give each year £2,000 in cash (or cheque) to the sons and then in turn, the sons could grant a mortgage of £2,000 (interest free) back to the owners. As long as actual cheques pass both ways and as long as there are no complications regarding the interest-free mortgage, I can see no reason why this method should not work. Could you comment?

While we cannot say that the system which you advocate would not work it seems to us to be far more likely to be caught by Section 44 (3) of the Finance Act 1975.

### Child's premium bonds

Referring to your reply under Child's premium bonds (February 17) should you not have advised against this method of giving money to two children within the same family? Suppose the top prize was won by one of the children and the other child won nothing?

We agree entirely with the implied criticism of the want of fairness in the situation which you envisage. However we offer our advice on the legal implications of a stated position rather than on the moral or equitable aspects. Perhaps joint beneficial interests would overcome your particular objection.

### Joint tenancy

Referring to your reply under Joint tenancy in equity (February 10), my solicitor has expressed doubt as to whether there is a method whereby tenants in common could become joint tenants. Do you confirm what you wrote?

### Returning from abroad

Under Returning from Abroad (February 17) you advised "To minimise your prospective capital gains tax liabilities, you should wash the accrued gains out of your existing portfolio before the beginning of the tax year (ending April 5) in which you intend to return to the UK." I appear to be in much the same position as your correspondent and my understanding was that there would be no tax liability on capital gains realised before the date of my actual return at the end of June. Could you please clarify this point?

My reply was founded on the proposition that it is always open to the beneficiaries under a trust, if they are all of full age, to determine the trust. A deed such as we envisaged would determine the trust whereby the beneficiaries held as tenants in common, and execute a new trust under which the beneficial interest is joint.

**Discharge of a mortgage**

My endowment/house purchase policy will shortly mature, the loan being fully satisfied by the sum insured. Is it necessary for me to employ a solicitor, or will the completion of the satisfactory and return of the title deeds and documents constitute a discharge and fully safeguard my interests?

You need not employ a solicitor. A properly sealed receipt on the original mortgage deed will operate to discharge the mortgage effectively.

### Name changed by deed poll

My wife and I are guardians of our two grandchildren, aged 17 and 14. Their mother, our late daughter, remarried and for some time the children used their step-father's surname, which appears in the guardianship order. We would now like to change their name back by deed poll to that appearing on their birth certificates. Must we employ a solicitor? Is the stepfather's consent necessary?

You would be wise to consult a solicitor. There is no need to obtain the consent of the children's stepfather, provided that no representation is made that he is their father. However, the deeds poll will not be fully effective until confirmed after each child has attained majority.

### Tax relief for loan interest

For many years qualifying loan interest has been allowed for in my Notice of Coding. This year, although the amount of interest is known, the Inspector writes that "The normal method of relief for Loan Interest paid is by way of repayment at the end of the fiscal year on production of the certificates of interest paid." May I have your comments please?

You should give notice of appeal against the PAYE coding (under regulation 10 of the Income Tax (Employments) Regulations 1973) on the grounds that the Inspector has

### Husband and wife tax

When husband and wife elect for separate taxation under section 23 of the Finance Act 1971 or section 38 of the Income and Corporation Taxes Act, 1970, who becomes legally responsible for submission and completion of tax returns, and for any omissions? At what point can a husband cease to be legally responsible for his wife's tax return? What is the position of a man living apart from a legally separated wife?

An election for separate taxation of wife's earnings under s.23, FA 1971, does not relieve the husband of any of his obligations: this is made clear in the closing words of paragraph 7 of schedule 4 to the 1971 Act.

An election for separate assessment under s.38, TA 1970, normally results in separate tax returns being issued to the wife, but subsection 3 enables the inspector to require the husband to make a return of his wife's income "if the Board are not satisfied with her return."

A married woman is treated as a femme sole from the day on which the couple separate "in such circumstances that the separation is likely to be permanent" (under s.42(1), TA 1970) and consequently her income ceases to be deemed to be her husband's from that day.

You should ask your tax inspector for copies of the free leaflets "Separation and divorce" (IR30) and "Separate assessment" (IR32).

## Portrait of an index

BY ERIC SHORT

DESPITE the buoyant state of the equity market, the Financial Times Industrial Ordinary Share Index is finding it extremely difficult to break through its all-time high of 549.2 reached on September 14, 1977. The index failed to hold the breach made at 10.00 am on Thursday. In contrast, the FT Actuaries All Share Index is reaching fresh record values every other night. This has produced the usual outburst of criticism on the part of those who follow the index, criticism that occurs from time to time.

The equity market has as many features to it as there are quoted stocks. Any index of the market is thus a single figure representation of the movement of 4,000 plus shares. There are bound to be distortions in the condensing process necessary in calculating any index, which is essentially an averaging process of those movements. In designing an index, it has to be decided which facet of the market is being portrayed. Here is the major point in interpreting the function of the two indices.

The 30 share index was designed solely to measure the mood of the market, whether it is bullish, bearish or flat and how strong are those moods. For this purpose, the calculation of the index was based on the price movement of 30 leading shares covering a wide spread of the market. The geometric averaging process is used rather than a straight arithmetic mean.

The small number of shares used makes calculation simple and quick, so frequent values of the index can be calculated during the day. The use of a geometric, rather than an arithmetic, average, dampens down the effect of one freak share price movement. Thus the untrained observer, comparing the values of the index during the day can see at a glance what the market is doing. It might be easier still if the percentage changes in the index were quoted instead of the straight arithmetic differences.

All Share index in contrast is a value index, not a price index. It measures the effect of share price changes on the main body of investors—institutional as well as private. It takes into account the number of shares issued under a quotation as well as the share price movement.

Effectively it measures the change in value of a portfolio covering 750 holdings where the amount held in each share is in proportion to the market capitalisation of the company.

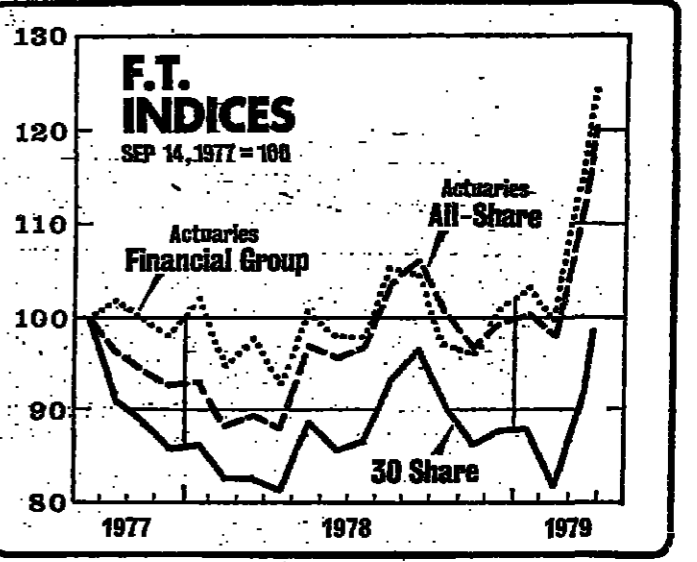
Thus the All Share index is a useful tool for measuring the overall change in the value of UK equities over any period. Its purposes behind the design of the index. The 750 largest companies used in the index cover about 80 per cent of the market.

However, if the indices are used for different purposes, then distortions appear simply from the method of construction. The use of an index based on a geometric averaging process covering a small number of shares will provide distortions over the longer periods. The geometric index is algebraically always lower than its arithmetic counterpart.

On the other hand, with the All Share being based on 750 shares, its construction is slow and somewhat cumbersome. And the change is sluggish compared with the 30-share since many of its holdings are not actively traded. Also it is not theoretically correct to use an index where the weights change continuously to measure pure share price movements.

It is possible for share prices to move up one day and then back to their original level, yet the All Share index will show a different value to the previous one, simply because the weighting has changed. Those clamouring for the All Share to replace the 30-share overlook this feature.

The graph shows that the 30-share and the All Share peak and trough at the same time. But the gap between the two indices has got steadily wider for three reasons. The first is the geometric process. Secondly, the 30-share does not contain any financial shares—it is an industrial index. And financials, which account for around 17 per cent of the All Share, have done better than industrials since 1977. The third reason is the spread of companies in the 30-share does not cover the market completely. Capital goods, breweries and stores are heavily represented. But despite some comments to the contrary, the capital goods sector has outperformed the 300-share index.



# IF YOU'RE ONLY IN THE STATE PENSION SCHEME, RETIREMENT COULD BRING YOU DOWN WITH A BUM.

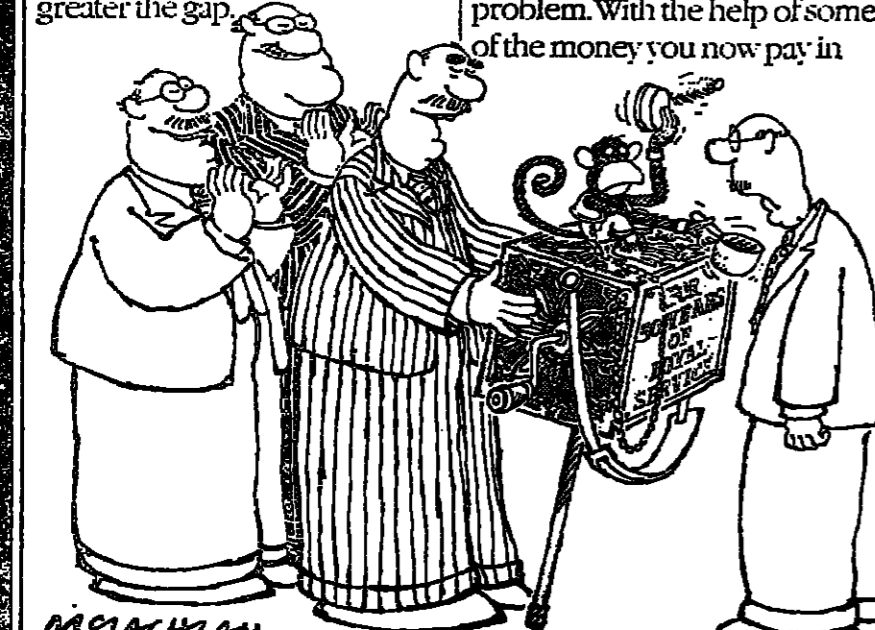
What should concern you most is what you're going to get out of the State scheme.

If you're highly paid, what you'll probably get is an inadequate pension on retirement. This is because, although there is, naturally, a gap between your income when working, and your state pension when you retire, the higher your salary, the greater the gap.

Indeed, at the top end it is a yawning gulf.

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CONGRATULATIONS on your retirement. Chairman, and as the company isn't topping up your State Pension we trust this will be of more use to you than a gold watch.

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## Odd traps for competitors

SUPPOSE I HAVE AN argument with my neighbour over what is the quickest route say from a Guildford Cathedral to the main entrance of No. 1 Terminal at Heathrow. Suppose we agree to start at exactly the same time alongside one another and in following our different routes to observe all relevant speed limits and other road traffic regulations. Suppose during the course of our respective journeys one or other of us has an accident and is injudicious enough to say "I am in a hurry—I've got to get to Heathrow before Charlie" and thereby excite police interest.

Suppose all these events, my neighbour and I could wind up in court prosecuted by the police under Section 14 of the 1972 Road Traffic Act for being part "in a race or a trial of speed between motor vehicles on a public highway." Depending on the evidence (presumably mostly our own admissions because how else would the police know?) we could properly be convicted.

Surprising, because Section 14 would appear to be aimed at preventing two or more drivers racing along the same stretch of road rather than preventing two or more drivers proceeding competitively by different routes. However, in early January, Judge Bennett QC in Wakefield Crown Court ruled on appeal from a local Magistrates' Court that a motorist engaged in such a competitive journey had properly been

convicted. The case is *Hay v. Police* and is reported at paragraph 204 of the February issue of *Current Law*.

An odd case and it caused me to pull out by motor insurance certificate. Item 6 of this statutory certificate deals with limitations as to use, and in my certificate and, I guess, in yours as well if you are an ordinary private motorist, there appears under this heading the following exclusion "use for hiring for racing competitions rallies or trials."

I am quite sure that neither the unfortunate Mr. Hay or his friend thought that they were doing anything wrong; equally I am quite sure that it never occurred to them that they could be forfeiting their statutory third party injury liability cover. The logic of the Court's conviction is inescapable—that from the insurance aspect as well as from the strict legal aspect they were making use of their cars for racing or for a competition and therefore strictly had no insurance cover. What Mr. Hay's insurers said and did is not reported but it seems from the Law Report that the police did not prosecute for any insurance offence since no

such prosecution is mentioned; maybe the insurance point did not occur to them.

An odd case and an extreme case that illustrates how the less well known clauses of the Road Traffic Act can provide traps for the unwary.

As I have said, the normal private motorist's certificate excludes use for "racing, competitions, rallies or trials," but there are other exclusions that are used, for example, racing, packmaking, reliability trial and so on. The third reason is that the motorist is in doubt he should ask his insurers whether his proposed use is within his certificate or whether he needs extra cover.

The commonest occasion on which the ordinary motorist will require extra cover is for the club "treasure hunt." It has long been accepted that treasure hunts are undoubtedly competitions within the standard exclusion and no one, whether organising or participating in a treasure hunt should overlook the need for motor insurance. Maybe this need may seem largely technical, but the motorist who does not get his competition exclusion temporarily deleted runs the risk of prosecution and, on conviction, of disqualification.

Most insurers' practices for the ordinary club "outing" had been to provide the temporary extra insurance free, even though they incur administrative expense in issuing any short period cover note. But it is

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**Finance for Industry Limited**

perhaps questionable whether in these difficult financial times the generosity can long continue: the problem is that £5 is probably the minimum premium worth booking and processing, while the extra risk involved for a 'summer afternoon's treasure hunt can still be counted in pence by way of premium.

Why then do insurers retain the exclusion of competitors? The short answer is that to delete it would open the doors to all sorts of competitions, other than treasure hunts, which do carry an enhanced risk of accident. Perhaps insurers could ease their own and policyholders' difficulties by excluding use for "competitions other than treasure hunts"; although this solution has been discussed from time to time I do not think that any major insurer has adopted this particular wording.

Incidentally it has long been standard practice of motor insurers by agreement with the Home Office to give cover for participation in certain kinds of road safety events. The undertaking insurers have given is that the legal-insurance situation and make it clear what the participants must do to have full compulsory cover while on the road and to enjoy such other cover is available at whatever premium may be required for the use of their vehicles off the highway.

مكتبة النهر

**YOUR SAVINGS AND INVESTMENTS** EDITED BY EAMONN FINGLETON

Many high-rate taxpayers are in the dark about the merits of 'greenhouse' plans—the new range of flexible unit-linked insurance schemes. These offer an almost unbeatable tax shelter for large investors, writes Eric Short

**Letting the sun shine in**

How can a 98 per cent taxpayer cut his tax to 37½ per cent, retain investment control over his capital and be free to tap it at will?

The answer is to pump his money into a flexible unit-linked insurance plan. Under present laws, provided premiums have been paid for 10 years, the money can be tapped at any time or left to build up at low tax rates indefinitely.

There is no tax to pay in his hands; and in most cases he has the right to switch his money between a variety of different unit funds, all the time remaining fully sheltered from high tax rates.

The huge advantages of the new generation of unit-linked plans launched since tax rules changed in 1976 are barely understood by many insurance brokers and are completely lost on thousands of wealthy investors who could benefit enormously.

The point that such investors miss is that tax relief on premiums paid into these plans is just the icing on the cake. The cake itself, as far as high rate taxpayers are concerned, is the low tax levied within the fund and tax-free cashing-in facilities after 10 years. Many people who could benefit miss the point because they believe that they can pay a total of no more than one-sixth of their income each year into regular premium insurance contracts. In fact, this limit applies only for tax relief on premiums. You can pump as much above this limit as you want into these schemes and still benefit from the low tax rates levied on life insurance funds.

The life company, investing on behalf of the investor, is taxed at a maximum rate of 37½ per cent on investment income, less expenses. A wealthy investor doing it himself pays his top rate plus the investment income surcharge. Once the policy has been running for 10 years, its proceeds on cash-in are completely free of basic rate tax, higher rate tax, capital gains tax and surcharge.

These schemes have been dubbed "greenhouse" plans by one commentator because not only do they protect the investor's capital from the

harsh fiscal climate outside, but he can watch his money grow—and even tend it from time to time.

These plans replace an earlier generation of schemes which were so outrageously tax-efficient that they could not be publicised and were kept under the counter for customers in the know. The earlier schemes were killed off in 1976 when new rules came in requiring insurance plans to be specifically approved by the Inland Revenue.

The conditions governing tax-free cash-in payments are set out in the Finance Act 1968. The tax planners have gone through this Act with a fine-tooth comb to make the maximum use of the concessions available. Investors want complete flexibility, the maximum amount of their premiums invested, and the right to make tax-free withdrawals as soon as possible.

The answer is a 10-year plan with the option to extend the term. The 10-year basic term allows the life cover to be kept to a minimum, so most of each premium is invested. At the end of this period, the policy can be cashed-in completely, cashed-in part; premiums can cease and the funds left to continue to grow or premium can continue.

If the plan is made up of a cluster of small policies, these can be cashed-in a few at a time to provide the investor with tax-free income.

Flexibility is best provided by linking the plan to a variety of unit funds. A switching option enables the investor to have substantial control over the investment decisions and even though he has opted out of direct investment he can still enjoy the satisfaction of playing the market. There is usually a cash fund among the options, so he can run for cover if he fears investment conditions are getting choppy.

Despite these plans' advantages many life companies and advisers continue to recommend single premium investment bonds for the higher rate taxpayer. Unless he wants immediate income through the withdrawal scheme, this is not a

tax efficient means, since the profit on cash-in is subject to higher rate tax. It is akin to using a cold frame for growing instead of the greenhouse.

The task of converting capital into a series of regular payments into these plans is straightforward. The investor can, for instance, buy a temporary annuity and use the income each year to meet the payments. Or he can buy a series of low coupon gilts using the redemption money to pay the premiums.

A wide range of schemes are now on the market, with a new one almost every month. The choice is difficult. The first thing to look for is maximum tax efficiency: some of the earlier plans are not completely efficient. The plans' charges should be kept to a minimum consistent with providing a good investment and administration service. And the life company must have a good investment record.

The problem in judging likely investment performance is that these plans have been going for such a short time.

The table shows how differences in charges can affect the investment return. Life companies have designed a confusing variety of charging systems.

**HOW CHARGES AFFECT PERFORMANCE**

What your money builds up to after 10 years if you contribute £50 a month and the underlying growth of the fund is 10 per cent a year before deduction of charges.

	Male age 29 at entry	Male age 50 at entry
Abbey Life	£ 8,530	£ 8,380
Amev Life	8,200	8,185
Cannon	9,106	8,922
Crown Life	9,106	8,855
Equitable Life	9,092	9,002
Equity and Law	9,195	9,105
Friends Provident	8,570	8,635
Hambro Life	8,900	8,500
Hill Samuel	8,740	8,645
Legal and General	9,065	8,970
Lloyd's Life	8,770	8,495
Lloyd's Life/Gartmore	8,612	8,502
London and Manchester	9,305	9,120
M and G	8,640	8,750
Manufacturers Life	8,995	8,725
Merchant Investors	9,090	8,720
Phoenix	9,285	9,190
Property Growth	8,715	8,530
Providence Capital	8,960	8,730
Provincial Life	9,055	8,945
Save and Prosper	8,680	8,585
Schroder Life	9,106	9,013
Solar Life	9,065	8,885
Scottish Widows	9,150	9,040
Target Life	9,133	8,951
Trident Life	8,955	8,895
Tyndall	9,109	8,804

Source: Planned Savings

One pitfall to watch for is that with some schemes the first year or so's premiums go into "capital units": these are units which bear a special, very high management charge, usually around 4 per cent.

The proof of the pudding is in the eating and this is what the table sets out to show. Best companies from a charges viewpoint seem to be Phoenix, AMEV, Solar Life and London and Manchester.

**Special Situations**

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This trust was the top performing U.K. invested unit trust in 1978 and the top performing of all unit trusts in the last 12 months (Source: Planned Savings). Although short-term performance is not necessarily a guide to future growth, since its launch in November 1977, the unit price has risen 73.6% and the F.T. Actuaries All-Share Index 29.7%.

Special Situations can often offer excellent investment opportunities, particularly in a rising stock market. The trust invests in a concentrated portfolio of "Special Situations" including recovery stocks, high-yielding shares, asset situations, and bid situations, and is aggressively managed for capital gain.

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Smaller companies and recovery stocks often offer the best prospects for capital growth.



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To Sell units, simply return your certificate appropriately endorsed on the back—payment is normally made within 7 days of our receiving the returned certificate. Charges: An initial charge of 5% is included in the Offer price. A service charge of 1% (plus V.A.T.) of the value of the fund is deducted from gross income payable to investors. Redemption fees: 1% (plus V.A.T.) of the value of the fund is payable on redemption. Trustees: Midland Bank Trust Company Ltd., Actuaries' Trust Managers Ltd., Registered Office: 15 Broad Street, London EC1N 1ST. Registered in England. No. 0135-55. Members of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.

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Signature \_\_\_\_\_  
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**Schlesinger Special Situations Trust**



Last year's finish: Lucius first—but how much tax was he carrying?

**Pay the tax first**

IF YOU ARE having a flutter on the Grand National, study the tax position as well as the form book.

Most once-a-year punters give bookies an undesired leg-up by leaving paying the betting tax until they have won. But they did their sums, they would find that it always makes sense to pay the tax with the bet.

Bookies usually charge a tax of 9 per cent to recoup their betting duty and levy costs. The dice for the punter is either pay the 9 per cent on top of the bet or to face a deduction of 9 per cent from the total pay-out (including the original stake) if you win.

Punters have argued about which is the best course ever since the betting tax came in. According to Peter George, who runs the betting shop arm of the Ladbrokes group, most seasoned punters now pay the tax with the bet.

But if instead you place £9.17 on the horse and pay 83p tax, you will collect £31.78 for the same total amount at risk.

Those who want to risk £1 should put 92p on the horse and pay tax of 8p (9 per cent of 92p is actually 8.28p but most bookmakers round this down). The potential pay-out is £31.28, against £30.84 if they put all the £1 on the horse.

Peter George agrees that the odds are always better if you pay the tax with the bet. But he points out that the bookie has the last laugh if the punter, in switching to paying tax with the bet, increases the total amount he risks.

George says: "Human nature is such that a punter who usually places £1 bets before he switches to paying the tax with the bet will spend £1.09 a time afterwards."

"The odds may be slightly better for the punter but as far as the bookie is concerned the increased turnover will more than compensate for this."

The case for paying the tax with the bet is least understood in the South East. There, according to a Ladbrokes survey, about 50 per cent of punters still prefer to pay the tax out of their winnings. But in many areas of the North, particularly around Liverpool and Yorkshire, almost 100 per cent of punters pay the tax with the bet.

The root of the anomaly is a shift in the basis on which the 9 per cent is calculated.

For the mathematically-minded, the 9 per cent paid with the bet is on a "tax-exclusive" basis: when you bet £1 and pay 9p tax on top, for instance, the 9 per cent quoted is struck as a percentage of £1 rather than £1.09, the tax-inclusive base.

On a tax-inclusive basis, the rate of tax paid with the bet is only 8.26 per cent (9p as a percentage of £1.09).

The rate used for taxing pay-outs is tax-inclusive: you pay 9 per cent of the gross pay-out, including tax, and not just of the amount you actually receive.

If you have picked your way through that lot, picking today's winner should be a walk-over.

**GAMBLING** EAMONN FINGLETON

x with the bet—though they probably have no clear idea of a mathematical anomaly that makes this right.

Most housewives and others who confine their betting to the Grand National and the Derby prefer to leave paying the tax till later. Their view, supported by some bookies, is that since tax money is wasted where a tax is paid in advance and rises losses.

This is a red herring. The real question is: do you get a better ratio of winnings to money risked if you pay the tax with the bet?

It can be shown that the answer is always yes. Say you stake £10 on one of the fancied outsiders in today's Grand National. (A £10 bet is best because rounding adjustments on smaller stakes do distort the mathematics.) You leave the tax until later in the horse comes in at 33 to 1, you will collect £309.40 (340 less £30.60).

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This is one reason why we can, today, offer some of the most competitive terms on the market across the whole range of life assurance policies.

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...plus investment management expertise. Life assurance companies employ some of the most expert investment managers in the City; and even in this competitive field, London Life has a proven record.

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You can participate in the London Life Linked investment for a minimum sum of £1,000. You can draw up to 100% of the amount invested as income, tax free at the time provided you don't withdraw in total more than 5% in respect of each year the policy has been in force.

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The level of management charges can, of course, considerably affect the overall performance of any investment medium; and here, London Life's policy of thrifty management is of real advantage to you.

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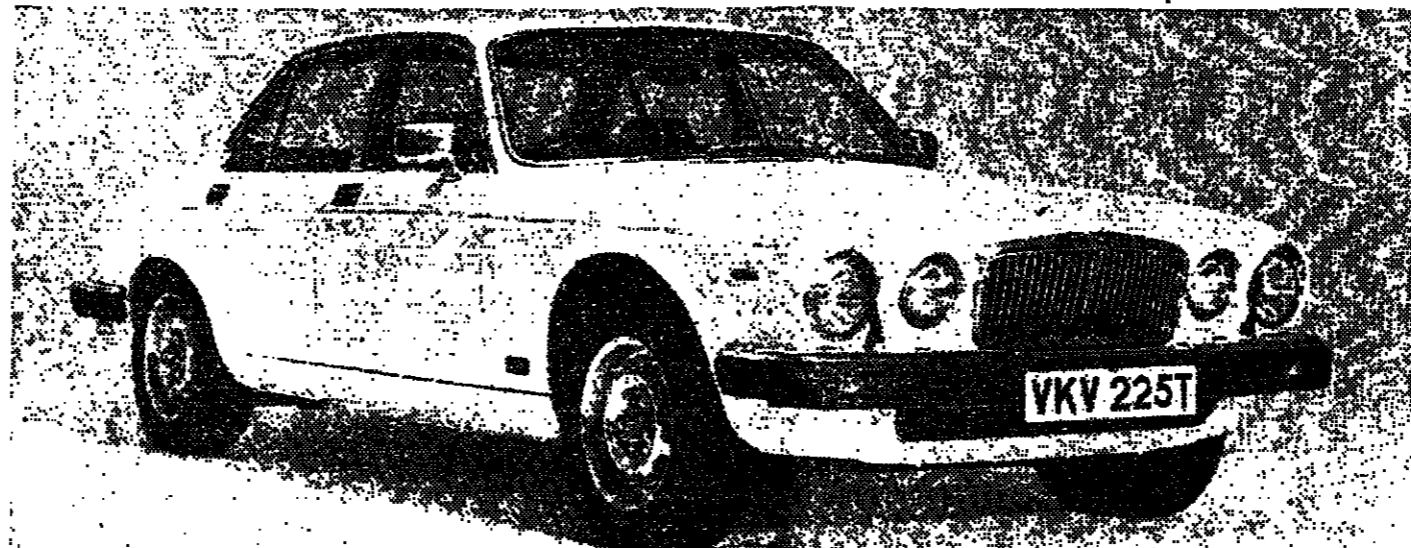
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MOTORING



The Jaguar XJ12 5.3 Series III.

Several of the great cars

BY STUART MARSHALL

AFTER MORE THAN ten years Jaguar has made the first real external alterations to the XJ saloons—and you still have to look fairly hard at the body to see what they have done.

The Mark III cars were announced belatedly on Wednesday. They had been expected to make their debut at the Birmingham Motor Show last October, then at Geneva a month back. Sadly, industrial problems of various kinds led to an unavoidable delay.

Now they are here, what is different? In all honesty, not much. The glass area has been increased a little, the wind-screen slants more steeply, the side windows curve more than they did and the roof has been raised to give rear passengers a welcome increase in headroom.

At last, those old-fashioned wind-roar provoking quarter lights in the doors have been done away with.

Most of the other new features of the Mk III cars could be considered as on-going improvements. They include cruise control on the 4.2 and 5.3 automatics, which should save many a licence from being endorsed for speeding on the motorway.

Other goodies which appeared long ago on lesser cars but have now been adopted by Jaguar are interior adjustable door mirrors, a courtesy light that stays on long enough after the doors are shut for you to find

positions operated by touch sensitive buttons. Fiat makes the point that if the buyer of, say, a 127 wants something better than the standard set (in this case a six-station push button) the cost of the standard one will be credited against the costlier set.

And that, plus an agreeable hint of status, is surely what Jaguar motoring is all about. No changes have been made to the suspension and the ride quality remains as superlative as ever.

Standard radio JUMPING IN where until now only the Japanese had not feared to tread, Fiat are fitting a radio to every car and light commercial vehicle sold in Britain.

Thus the radio joins the list of former luxuries that are now rightly regarded as essential—among them heaters, screenwashers and heated rear windows. Three sets, all made in Italy by Vöxson, are involved.

They range from a tiny, manually tuned AM receiver for the baby Fiat 128 to an AM/FM stereo set with electronic tuning which goes into most of the up-market cars. This has 16 pre-set station

the ignition lock and fasten your seat belts, and a heated rear window that turns itself off after 15 minutes.

Jaguars are cheap no longer. Prices of the Mk III cars, which show increases of about 10 per cent, range from £11,189 for the 3.4 to £20,277 for the Vanden Plas 5.3 Double Six.

It seems impossible that as recently as 1972 you could buy an XJ6 for less than £2,000 and that even a V12 E-type cost only £2,510.

But there is something rather special about a Jaguar. It has style—that subtle blend of small things which almost persuade you it was hand-built even though you know perfectly well it was screwed together on a moving assembly line.

Stratstone Leasing. The professional way to use a car of your choice. Contact Brian Chambers or John Davey at Virginia Water. Stratstone (Leasing) Limited. Station Parade, Virginia Water, Surrey.

DAIMLER DOUBLE 6 L.W.B. 1977 (July). Mistral with tan leather. Automatic. P.A.S. Fuel injection. Fitted air cond. tinted glass windows, central locking, AM/FM stereo, vinyl roof. £6,950

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هكذا من الضمير

# HOW TO SPEND IT

by Lucia van der Post

## Easter fancies

This year the selection of candles in the shops for Easter is better than ever. There are the highly decorative kind, all flowers and colourful appeal. Then there are the representational ones—the imitation ducks and eggs and rabbits, equally appealing in their way. Of the purely decorative kind I think the candles from Jerusalem that I think the most beautiful. At Christmas they were around in great numbers—they are instantly recognizable by their intricate multi-coloured millefiori

patterns on a white or black background. They are particularly useful to know about because only the inside burns, leaving the highly decorative outside intact, ready to be refilled. For Easter the same patterns have been used on egg-shaped candles. You can buy them from Cuelna, 8, Englands Lane, London, NW3, and 42, Ladbroke Grove, London, W11 for £4.50 (36p p+p).

Harrods, too, have a singularly attractive Easter display on the first floor—their selection of candles is stunning (some are sketched here) and the prices struck me as very reasonable, given the elaboration of some of the designs.

Truffles, of 239a Fulham Road, London SW3 (opposite the Queen's Elm pub in Old Church Street) is a tiny but very pretty shop that specialises in a lot of American merchan-

dis. Very little in the shop struck me as cheap but on the other hand a lot of it is unique—there are some extraordinary and unusual baskets made almost entirely from bread which is lacquered and therefore lasts for years if the water is kept away from it. They could be used for serving eggs at Easter or bread rolls and prices start at £7.50 for the smallest and go up to £15.00.

There's also an egg-colouring kit, with 6 vegetable dyes and little transfers and stick-on designs, for 75p (p+p 15p).

Chocolates are, of course, the traditional Easter present. You can order a box of handmade finest chocolates with a message written in white chocolate (each chocolate has one letter, thus making up the name or message) for £4.70 per lb (can be posted for 62p per lb) from Clare's Chocolates, 3, Park Road, off Baker Street, London NW1, or 163, George

Street, London, W1. Personal shoppers can buy hand-made Easter eggs with names or messages hand-written in white chocolate and decorated with flowers or animals. Prices start at £3 for 1 lb eggs, and go up to £23 for a 5 lb egg.

Lessiter's has been making hand-made Swiss chocolates in Finchley Road since 1911 but last year it opened a city branch at 16, Poultry, London, EC2R 3EJ. For Easter there are some specially unusual shapes—a "Jack Rabbit" for £2.60, a Rabbit Professor for £2.90, a white chocolate chicken for £2.35 and a chocolate frog for £1.75.

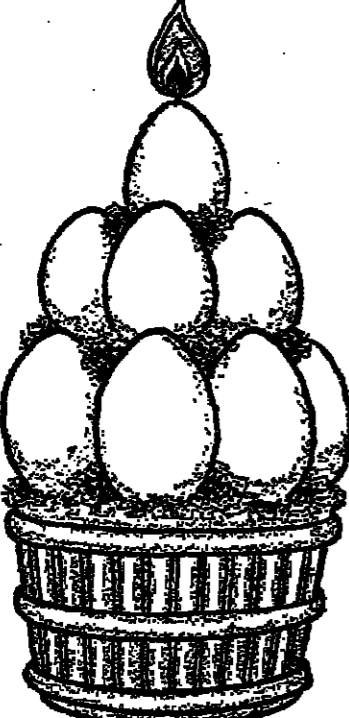
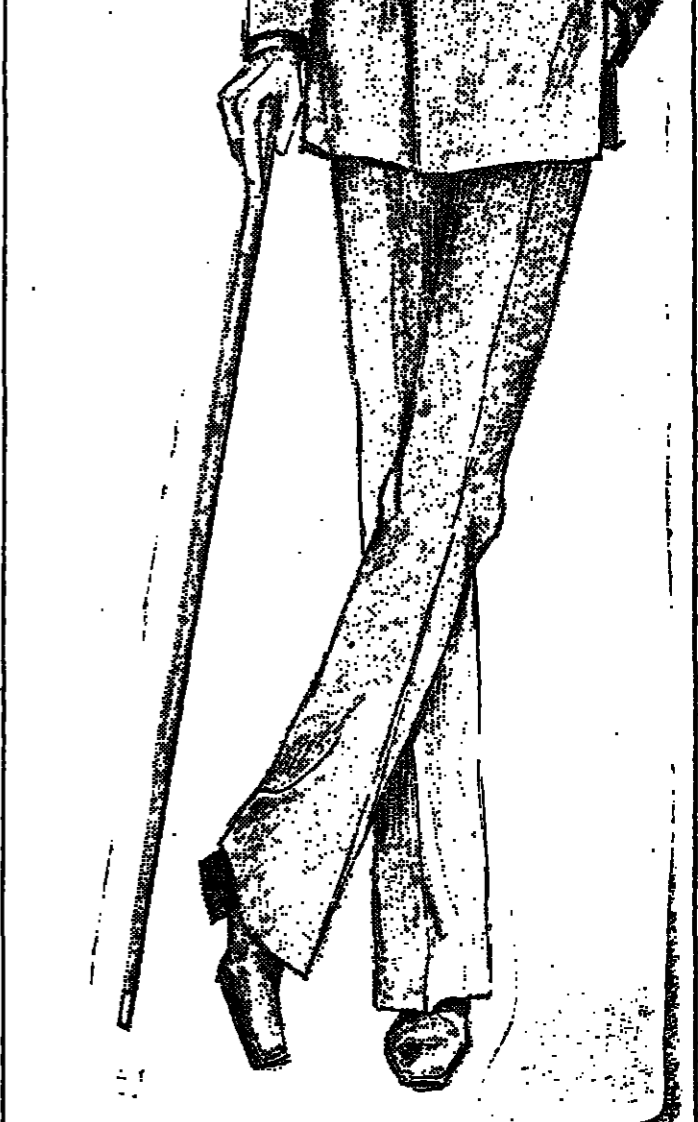
If an outside Easter bunny is what you're after Charbonnel de Walker of 28, Old Bond Street, London, W1, make one about 25 in high (£17.00). The rabbit is too fragile to be posted but you can order traditional Easter fish at £2.95 for 7 oz and £5.15 for 16 oz (add 85p p+p). All the shapes are made from dark bittersweet chocolate.

# Harrods Has More For Men

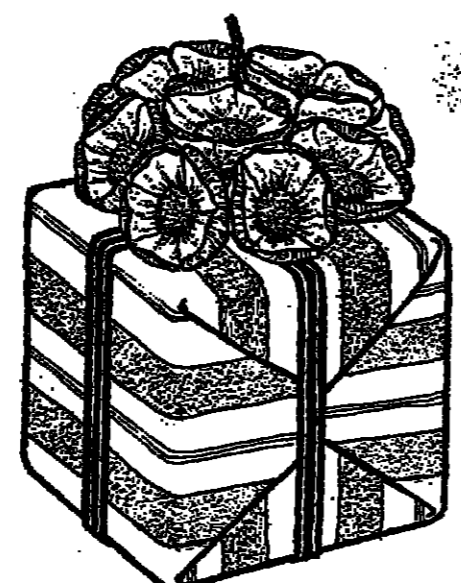
Our magnificent Men's Shop on the Ground Floor is all things to all men. It has more superb coats and suits from international designers, tailored in the finest fabrics, more top quality knitwear, more tempting ties, shirts and shoes, more, in fact, of the best of everything for men—all under one roof.

This elegant two-piece from Christian Dior in mediumweight pure wool, Light Grey with White pinstripes, 38" to 46" chest £120

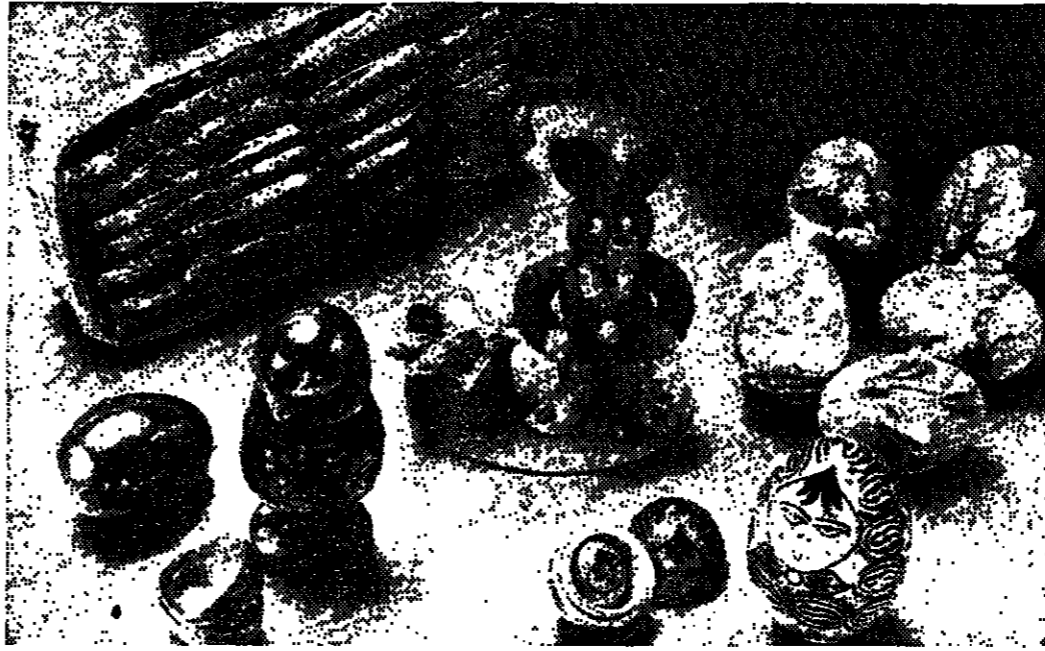
Men's Suits, Ground Floor. Personal shoppers only.



Two amazing candles that seem extraordinarily good value. The egg pyramid has a ceramic base, the eggs are white set in yellow wax. It is 7 1/2 in high and is £2.95 (p+p £1.75) from Harrods of Knightsbridge, London, SW1. The



parcel shaped candle is wrapped in lime green and white wrapping and is topped with lush amber and orange flowers. It is very pretty and imposing being about 6 1/2 in high so would make a splendid centrepiece to a table. It is £3.95 (p+p £2.20) also from Harrods.



Jacksons of Piccadilly have a fine selection of traditional chocolate Easter ideas and some less fattening varieties of egg for those on diets or not fond of chocolate. Almost all the items photographed here are available by post (postage and package prices given in brackets) or they can be bought at the store at 172, Piccadilly, London, W1.

At the back, left is a wooden slatted basket holding 96 grammes of milk chocolate sardines, £3.15 (p+p 20p).

Bottom left are some brass egg-shaped boxes which are £1.10 or £1.50 each, depending on the size (15p p+p). The lacquered hand-painted egg cup from Kashmir is £1.75 (15p p+p). The marzipan rabbit is just one of a selection of marzipan figures which cannot unfortunately be posted—£1.75. The Italian decorated sugar eggs come in a variety of pastel colours and are £1.75 (p+p 18p). Finally the Russian Egg family is of painted wood and is £2.05 (p+p 20p).



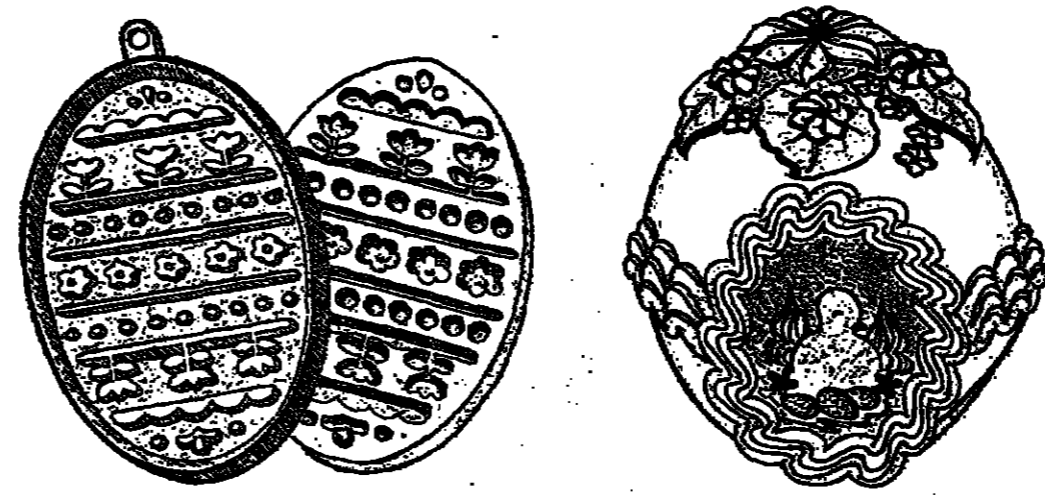
The duck candles are made of white china and the inset wax is dark purple. They are £2.50 each (p+p 55p) from Harrods.

Right, American animal stationery—in the pack are chickens, elephants and bears with matching yellow, grey or white envelopes. £5.25 the pack. From Triffes (p+p 35p).

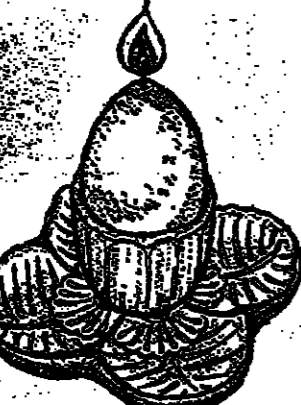


Drawings: Jan Wheeler

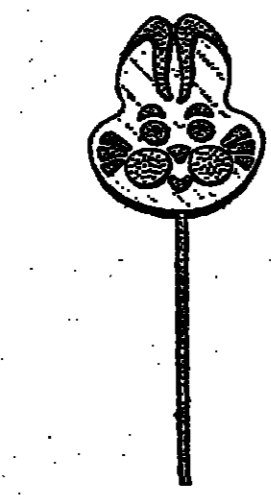
Below, bright yellow lollipops, 80p from Triffes (p+p 15p).



Left, cookie mould shaped like an egg, but bunny and chicken versions are also available, 55p, from Triffes (p+p 10p) and right, sugar egg in lovely pastel colours with a baby chicken and eggs right inside the egg. From Triffes, prices start at £5.50, personal shoppers only.



Wax egg candle, set in yellow and green earthenware. The cup which obviously goes on to be used as a regular egg-cup. £1.40 (5p p+p), from Harrods.



## Food for talk

BY JULIE HAMILTON

GATHER six or eight people round an ample dining table. Keep them there for up to three hours. Enjoy the uninterrupted flow of their conversation. No spicing up to clear the plates. No desperate efforts to keep up with the talk while you, as hostess, are preparing the next course in the kitchen. No splashing of gravy on your husband's best suit while he tries to carve, serve and talk at the same time.

Just relax with your guests. You do not need servants to achieve this. You need the one-course meal, which caters for most tastes, and the choice being so wide, doesn't oblige anyone to eat something out of politeness. You will need plenty of time to prepare the meal in advance and the facility to keep a number of dishes hot (in our case an open log fireplace in the dining room). This one-course meal is based on the Greek meze. Though it needs variety, you need not, of course, produce all these dishes. On the evening itself put all the cold dishes on the table and let your guests help themselves as and when they like. Bring on the hot dishes from time to time whenever seems appropriate.

My menu for six or eight people is:

### Aubergine Mousse

1 1/2 lb aubergine (preferably the large, round type), 1 medium sized onion, 1 cup breadcrumbs, 1 tablespoon lemon juice, 1 tablespoon wine vinegar, 1 pint olive oil, 1 teaspoon basil (fresh if possible), 1/2 teaspoon mustard powder, 1 small green or red pepper, salt and pepper.

Place the aubergine in a moderately hot oven (gas mark 6, 400F) until the skin wrinkles and it seems soft to touch. Allow to cool. Peel and put the flesh in a mixing bowl with the onion, which has been very finely minced, together with the

breadcrumbs, mustard, basil, salt and pepper. Mix thoroughly. Now add the oil and vinegar as you would for mayonnaise. Sprinkle the gelatine over two tablespoons of water and heat until it dissolves and is clear. Add to it the lemon juice and stir into the aubergine mixture. Put the mixture into a mould and chill overnight (if possible). Turn out to serve and decorate with thin strips of red pepper.

This, as well as the taramasalata, humus, tahini, stuffed vine leaves, and okra can be prepared the day before the dinner party; most of them are improved by so doing.

### Tahini

This is made from ground sesame seed. You can buy the prepared seed from a Greek or Cypriot delicatessen. Take one tablespoon of the paste and mix with enough cold water with it to

make, by continuous stirring, a creamy substance. Add lemon juice to taste, a little crushed garlic and parsley (optional). Season to taste. Finish with a teaspoon of olive oil.

### Stuffed vine leaves

1 packet of vine leaves, approx. 25 (obtainable from good delicatessens), 4 oz long grain rice, 4 oz minced cooked chicken, 1/2 pint olive oil, 1 teaspoon dill weed, 1 small onion, juice of one large lemon, salt and pepper, 1/2 teaspoon grated lemon rind.

Boil the vine leaves for about 15 to 20 minutes, drain, separate and cool. Put the rice into 1/2 pint boiling salted water and cook for five minutes. Draw off the heat and add the onion, finely chopped, chicken, olive oil, lemon rind, dill, salt and pepper. Stir and return to a low heat, cook for ten minutes, stirring often.

The mixture may look very odd because the oil does not appear to be absorbed. Do not

worry, that is correct. Place one vineleaf at a time, underside up, in the palm of your hand or on a flat surface. Put a teaspoon of the oil and rice mixture in the middle of the leaf and roll up, from the stem end first, folding in the sides like a parcel. Place the stuffed vineleaves in a casserole, packing them tightly together in layers.

Barely cover the vineleaves with water, put a small plate on them, pressing it well down to prevent movement while cooking.

Cook slowly (gas mark 1 or 2, 275 or 300F) for about one hour. Leave to cool. Pour on lemon juice. Leave the vineleaves in the casserole until you serve them, arranged on a flat dish.

### Okra in Tomato and Marjoram

1 tin okra (lady's fingers), 1 lb tomatoes, 1 medium sized onion, 1 heaped teaspoon marjoram, 1 dessertspoon wine vinegar, 1 tablespoon olive oil, 1 teaspoon sugar.

Peel and slice the tomatoes and onion and gently cook in the oil for at least 45 minutes. Add

the marjoram, vinegar and sugar. Gently wash and drain the okra and add them to the tomatoes, if necessary with a little water. Season with salt and pepper and cook slowly for half an hour. Allow to cool and place in an ovenproof dish, ready to reheat when needed.

### Taramasalata

6 oz fresh smoked cod's roe, 6 thin slices white bread, half a small onion, 10 (approx.) tablespoons Greek olive oil, juice of 1 large lemon, 2 cloves garlic.

Trim crusts off bread and soak in water. Finely chop onion and garlic and pound together with the cod's roe (or use a blender) until it is a smooth

### Humus

My version is not quite the same as the traditional oriental dish.

8 oz dried chick peas, 4 (approx.) tablespoons best Greek olive oil, lemon juice to taste, large clove garlic, salt and pepper.

Soak the chick peas overnight. Next day, boil in plenty of salted water until tender. Drain

pulp. Squeeze out the bread, add it to the pulp, mix thoroughly.

Slowly add the olive oil, mixing vigorously. When you have used half the oil, add some of the lemon juice. Continue the process of adding oil and lemon until you have the desired consistency. I make mine so that a teaspoon will stand up in it.

### Fried Baby Cabanos

8 cocktail cabanos (small, salami-type sausages). If cocktail size is not available, the normal size will do. 1 dessert spoon olive oil.

and mash to a pulp. Pound the garlic with a little salt and pepper until it is almost liquid and add it to the chick peas. Add the olive oil, stirring vigorously as you would for mayonnaise (a little at a time). Add a few drops of lemon juice and taste. I make my humus to the same consistency as the taramasalata. A blender can be used.

### Coriander lamb

8 noisettes of lamb, 1 heaped teaspoon coriander seed, juice of one lemon, 1 teaspoon salt, 1/2 teaspoon sugar, 1 small wine glass red wine, freshly ground black pepper.

Brown each piece of lamb in a grill pan or frying pan on the fiercest heat possible and then put them in an ovenproof dish with a lid (or use unfoil as a cover).

Partially crush the coriander seed in a mortar with the salt and pepper. Put the wine, lemon, sugar and coriander in the pan you used to brown the lamb, bring to the boil and immediately pour it over the lamb. Cover and cook very slowly in the oven (gas mark 1, 275F) for at least 2 1/2 hours. Serve hot with plenty of its self-made juice.

### Cucumber, yogurt and mint

2 cartons plain yogurt, 1 large or 2 small cucumbers, 1 tablespoon white wine vinegar, 1 dessertspoon caster sugar, 1 heaped tablespoon chopped mint, salt.

Peel the cucumber and coarsely grate or shred it. Place it in a basin, sprinkle generously with salt and leave to stand for half an hour or more. Mix together the mint, sugar and vinegar. Drain off the liquid the salt has drawn from the cucumber, by squeezing in your hands. Place the cucumber in a serving dish,

Potato marbles are little potato balls formed with a melon scoop out of large potatoes, deep fried and kept hot.

Greek bread can be bought at Tesco's and International Stores as well as Greek or Cypriot shops. Toast lightly on each side, cut into strips and serve hot.

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# BUONGIORNO ITALIA

Italy has come to Harrods! This Spring we are celebrating the Italian flair for design (and zest for life) with a wide variety of merchandise throughout the store—from wine and food to fashion and furniture.

Especially for this occasion, we have imported an interesting selection of wines from several different regions of Italy. Many of them are attractively presented in wooden boxes with glasses appropriate to the type of wine.

Illustrated:  
Top: Nicoletto Box  
Decorated box containing six bottles of fine Piemonte wines £20

Above:  
Fontanafredda 'Degustazione' Box No 2  
Handsome box containing six bottles of fine Piemonte wines and six glasses £38.50

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COLLECTING

'You may scold a carpenter who has made you a bad table, though you cannot make a table. It is not your trade to make tables'

Samuel Johnson

Tools of the trade

BY JUNE FIELD

ALTHOUGH collecting old tools has been a steady fringe interest in other countries...

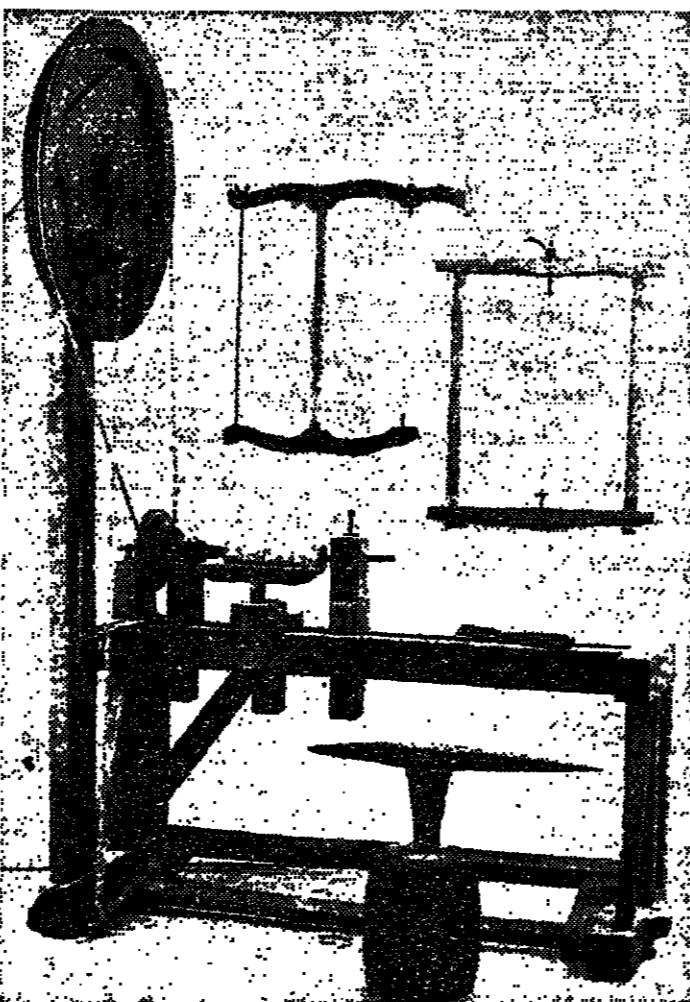
The appeal is not only that old tools are aesthetically pleasing, but that they are of enormous historic interest...

Roy Arnold and Philip Walker, at Needham Market, Suffolk, probably own the largest single collection of tools in Britain...

centrate on assembling kits for a particular trade—carpenter, cabinet-maker, clog-maker, cooper and so on...

They say that if they had to choose one particular trade to the exclusion of all others, as the sole subject of their interest and admiration, it would be that of the wheelwright...

There are tool chests with a mahogany triptych case containing 76 ornamental turning tools...



Wooden treadle lathe, two wheelwright's felly saws and a tee anvil mounted on an unfinished wheel, in Arnold and Walker's sale...

secret compartments, and a mahogany triptych case containing 76 ornamental turning tools...

catalogue documents makers and marks, but to supplement study, I found Norman Smedley's East Anglia Crafts...

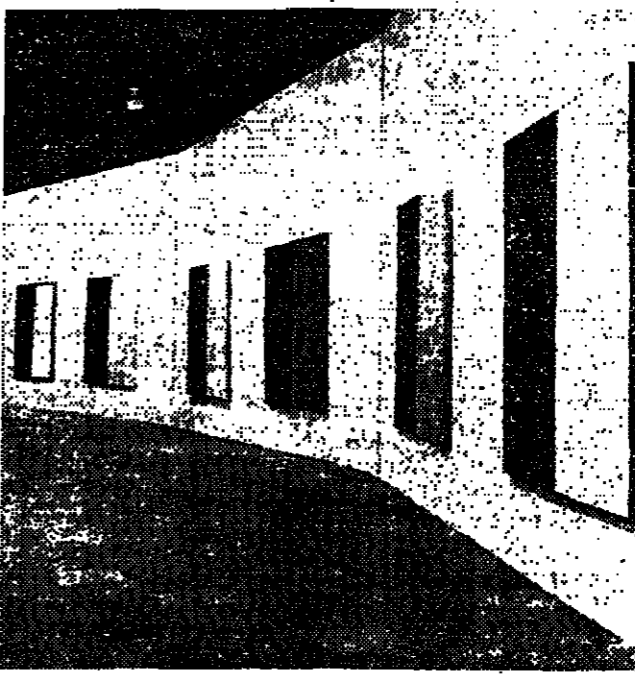
Art in our time

IN A FEW days' time, Sotheby's will be holding another sale of post-war painting and sculpture...

Probably only in England is such an attitude possible and not only possible but actually fostered...

The problem seems to be a lack of real commitment on the part of any art critic to contemporary art...

servative avant-gardism, which makes American Abstract Expressionism or Henry Moore just about acceptable...



Acrylic on canvas installation at the Roundhouse Gallery, Trevor Sutton.

Annely Juda, and the sculptor Tony Cragg at the Lisson Gallery. Both are artists held in high esteem...

FT/SOUBEY IAN BENNET

These are both artists deserving of encouragement and objective comment from those qualified to give them...

This obvious disinterest means that most young artists exhibiting perhaps for the first time, have very little chance...

one hopes, are not so entirely unresponsive to new ideas as many editors seem to think...

In the final analysis, however, it is probably the art establishment which is as much to blame as any individual or group...

The Tate Gallery, with its impossible task of being the national gallery of British art of all periods and the national gallery of modern art...

Advertisement for Messrs. W. & A. Gilbey & Co. Ltd., featuring a bottle of beer and the text 'Pilsener Beer, Special Reserve, London & Notts'.

Cheques have one advantage over banknotes in that comparatively few banks ever issued notes, but every bank produced cheques...

STAMPS

JAMES MACKAY

Up their image very considerably by a general issue of cheques with pictorial motifs in the United States...

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HAMILTONS 13 Carfax Place, Near Grosvenor Square, London, W1 - 01-493 9823/4. Witty and decorative paintings by two internationally known artists...

Experience & Expertise No. 373. Toy bus by Jouets de Paris. Sale, Christie's South Kensington, Thursday, April 12. Toys and play-things have been with us for centuries...

THE CENTENARY OF RORKE'S DRIFT. One hundred years ago, a small contingent of British troops, surrounded in a makeshift fort, fought off a massive onslaught by 4,000 Zulu warriors...

ARTS

The ICA is on the move again. ANTHONY THORNCROFT reports Two years hard

It was just over two years ago that Cob Stenham, a director of Unilever, took on a much tougher part-time job—chairman of the council of the Institute of Contemporary Arts. This organisation, ostentatiously housed in a Nash terrace in The Mall, was in a mess—a financial, political and morale mess.



Bill McAllister

On the theatre side the ICA has financed three productions and has just managed two successes with Ken Campbell's "The Warp" and Victoria Wood's "Talent". There is still too much reliance on visiting touring companies, but audiences have built up steadily.

Unquestionably the best drama of the week on radio came live and originated from the House of Commons on Wednesday night. They just don't write plays like that any more; to find a piece in which suspense was maintained so relentlessly right up to the final curtain you would need to go back to the period of Edgar Wallace.

The decks were swept clear by ditching Analysis and Kotolesko for the evening, leaving a good hour and a quarter for the Commons show, with the time of the division neatly coinciding at ten with The World Tonight and a panel of political pundits on the hot-line to Westminster discussing the implications of the result within seconds of its announcement.

This timing meant that Mr. Callaghan's hour of reckoning was sandwiched in between Ray Gosling's feature on The Rectory of Stiffkey (more about this in a moment) and Barry Cleary's programme on Harry Cohn in The Movie Moguls. (At his capacity Hollywood funeral, a wag reportedly said: "If you give the people what they want they'll come along.")

End games across the board

servative-led attack the best performance were the Government team, the prospect of defeat revealing unexpected reserves of wit and resilience. Callaghan unstaged Thatcher with ease, and after the commanding officer-like manner of William Whitelaw, Michael Foot was uninhibitedly mischievous and deadly. His crack about the Right Honourable Lady "leading her troops into battle nesting behind a shield of Scottish nationalists and the boy David"

Prokofiev premiere on Three

Prokofiev's first opera can be called an immature work. It came after the first piano sonata and the first piano concerto. But, while the 19-year-old composer could appear as pianist in his own music, he was rebuffed over the opera. It was considered too difficult—or, at least, insufficiently attractive—to merit performance.

Table with TV and Radio schedules for BBC 1, BBC 2, and other channels, listing times and program titles.

Table with TV and Radio schedules for Granada, Yorkshire, Westward, and other channels, listing times and program titles.

Table with TV and Radio schedules for Radio 3, Radio 4, and other radio stations, listing times and program titles.

Table with TV Ratings and Weekend Choice, listing program titles and their respective ratings.

Table with Entertainment Guide listing various theatrical productions, including 'The Rocky Horror Show' and 'The Firm'.

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British film studios are back in business, writes NIGEL ANDREWS, thanks to...

The American Invasion

Any filmgoer glancing at the long and varied list of films that have been in production in England this year and last could be forgiven for asking: 'What is this talk one keeps hearing of a crisis in the British film industry?' Every studio, it seems, is busy with one blockbuster or another, and a host of veripaptic productions are vying across the land exploring isotopic locations. Talk of the Decline or Death of the British cinema seems more apposite than ever...

Resources have come from the Outer Space section of American cinema. Star Wars was made in Britain, and Star Wars Two—The Empire Strikes Back—is about to launch itself at Eelstree Studios. Alien, a nine-million-dollar monster-in-space epic backed by 20th Century Fox, occupied Shepperton Studios for several months of last year. Saturn 3, a new sci-fi blockbuster teaming Kirk Douglas and Farrah Fawcett-Majors, is now achieving lift-off at the same studios. And, of course, Pinewood is flying almost permanently these days under the flag of Superman. Last year Superman I, this year Superman 2. Next year...?



Frank Langella as Count Dracula, and Kate Nelligan as his willing victim in a scene from Dracula, currently being made at Shepperton Studios

But the national character and identity of a film are determined not by the finance behind it but by the main creative forces—writer, director, producer. By this criterion most of the recent big films that have been—or are still—in production in Britain are unequivocally American. Apart from a few hopeful chinks of British talent—Alien had a British director, Ridley Scott, Saturn 3 has a British writer, Martin Amis—the writer-director-producer triumvirate on major productions in Britain have been overwhelmingly American. Just to exacerbate the mixed blessing of transatlantic patronage, there has also been, in recent months, a strong Canadian presence in Britain. Bear Island, the big Alistair MacLean movie now occupying Pinewood Studios, is a Canadian-UK production with a Canadian star, Donald Sutherland. And filmgoers will shortly be seeing Sherlock Holmes: Murder By Decree, a tale of the Baker Street sleuth that was made in London last year by Canadian director Bob Clark and starring Canadian actor Christopher Plummer as Holmes.

Eagling in Mayerling

Wayne Eagling's dancing in Mayerling at Covent Garden is nothing short of astounding. The prince of the doomed Crown Prince Rudolf admits of a variety of interpretation; we accept David Wall (alas, indisposed at the moment) as its great original, and admire the extreme dramatic skill of Stephen Jefferys. Eagling justifies his reading, first of all, in terms of a technique entirely effortless throughout the length of this most taxing of all male roles. The sheer beauty of his response to the choreography; the long stretch of his line; a rich evenness of muscular tone that yet shows extreme variety of pulse and rhythm; all these fill out the image of the character in bold, magnificent brush strokes of movement.

into nightmare, and on Thursday, at the ballet's revival, the tragedy could tear the heart. The first act built to a hair-raising account of the wedding-night duet, with Wendy Ellis superb, daring everything in her portrait of a girl flung helplessly into the torrent of Rudolf's mania, and with Eagling throwing, catching, tormenting her with neurotic force.

BALLET

There was much that was good in the second act from Eagling—the tervent scene except; the meeting with Mary as the angel of death in his apartment almost hallucinatory—but the party scene, for all the expressive beauty of Eagling's dance, seemed under-powered in emotion. We need to see more of why Rudolf suffers, and the mood, silent moments as Katherine Schratz sings does

A Night in the Ukraine

A Day in Hollywood and A Night in the Ukraine are two halves of a nostalgic look at the movies of the 1930's which have been rapidly promoted from the tiny New End Theatre in Hampstead to the cosy Mayfair, which is just about the right size for this kind of intimate cabaret.

fratry, and Frank Lazarus, as the piano playing Chico, is very fine. The great success, though, is the casting of Sheila Steafel as Harpo. There is a rather leaden mime when she is reduced to playing a bicycle wheel rather than a harp, but her timing and dumb lechery make the rest of the show look more like a dog's dinner than it really is. Slightly more confident playing would transform A Night in the Ukraine into a joy for non-Marx fanatics; for that strangely large band it will probably make the year.

THEATRE

ANTHONY THORNCROFT stories are as good as the melodies. Dick Vooburn, who is mainly responsible for the evening, has added the lyrics for some new songs which provide a modern, mordant commentary on the excesses of those times, and a company of six put them across with the right casual and light-hearted approach. It all leads up to a happy interval.

English Bach Festival 1979 Room on May 3; and at St. Peter's Eaton Square on May 13. The 250th anniversary of Bach's St. Matthew Passion is celebrated at the Albert Hall on May 6 by the Sing-Akademie of Berlin (who sang in the first revival under Mendelssohn in 1829), and Wolfgang Gonnemann conducts a Bach evening at the Festival Hall on April 27. On May 1, Ryo Ohnoyama conducts the Festival's Baroque Orchestra, and the American tenor John Aler makes his British debut (before going on to Glyndebourne). French music appears in the opening concert at the Banqueting House Whitehall (April 23) alongside a danced version of Handel's Water Music; in a 'Divertissement Royal' at the Purcell

THEATRES THIS WEEK... AND NEXT

Cambridge—The Court Wife. Maugham's ever-defence of marital identity, prettily done. Reviewed Thursday.
ROYAL COURT—Cloud Nine. Joint Stock's excellent acting enlivens a piece about sexual politics which doesn't quite work. Reviewed Friday.
Stratford-on-Avon is here again—The Merry Wives of Windsor on Tuesday in the big theatre, Pericles on Wednesday in the Other Place. Jonathan Miller is here again too, directing Etherege's She Would if She

COULD AT GREENWICH ON THURSDAY

A Day in Hollywood, A Night in the Ukraine has moved from the New End Theatre to the May Fair, and is replaced next week at the New End in Hampstead by a Duras double-bill, The Square and La Musica. Bix's cornet is stilled at the King's Head, where Monday will see the Shared Experience Science Fiction.

CONCERTS

ROYAL FESTIVAL HALL MONDAY NEXT 2 APRIL at 8 p.m. SCOTTISH NATIONAL ORCHESTRA Overture, Cockaigne... ELGAR Cello Concerto... ELGAR Symphony No. 6... BRUCKNER RALPH KIRSHBAUM cello SIR ALEXANDER GIBSON

QUEEN ELIZABETH HALL HAROLD HOLT LIMITED presents POLISH CHAMBER ORCHESTRA JERZY MAKSYMIAK conductor PIOTR PALECYN piano BACEWICZ: Concerto for strings MOZART: Piano Concerto in E flat, K.449 MOZART: Symphony No. 29 DVORAK: Serenade in E

ROYAL ALBERT HALL TONIGHT at 7.30 TCHAIKOVSKY Capriccio Italien Piano Concerto No. 1 NUTCRACKER SUITE OVERTURE '1812'—Cannon & Mortar Effects SWAN LAKE NEW SYMPHONY ORCHESTRA

WEDNESDAY 25 APRIL at 7.45 p.m. HANDEL: Water Music Suite in F Overture to Serenata Concerto Grosso Op.3 No.2 in G Organ Concerto Op.7 No.4 in D minor Concerto Grosso Op.8 No.12 in B minor

VICTOR HOCHHAUSER and HAROLD HOLT Ltd present SUNDAY 15 APRIL at 7.30 YEHUDI MENUHIN playing two Violin Concertos MOZART Violin Concerto No. 3 in G MOZART Violin Concerto in D BRAHMS

London Philharmonic London Symphony Royal Philharmonic BOOKING OPENS during the coming week for the following concerts in THE 4 ORCHESTRA SERIES ROYAL FESTIVAL HALL

FAIRFIELD HALL, Croydon Sunday 8 April at 7.30 p.m. HANDEL: MESSIAH Sally Burgess, Aemal Gunton Maryn Hill, Malcolm King

Van Walsum Management presents MONDAY 30 APRIL at 7.30 p.m. AMSTERDAM PHILHARMONIC ORCHESTRA Conductor: ANTON KERSJES

ST. JOHN'S Smith Square. SUNDAY, 6 APRIL at 7.30 p.m. PHILOMUSICA MOZART: Te Deum HAYDN: Stabat Mater 1st contemporary performance on authentic period instruments

BRIGHTON FESTIVAL MAY 5-19 Programme includes SYMPHONY CONCERTS LONDON SYMPHONY ORCHESTRA BBC SYMPHONY ORCHESTRA ENGLISH CHAMBER ORCHESTRA PHILHARMONIA ORCHESTRA

27 April Music Hall, Aberdeen soloist: John Lill 28 April Eden Court Theatre, Inverness soloist: John Lill 29 April MacRobert Centre, Stirling soloist: John Lill

WIGMORE HALL Tickets from Wigmore Hall, 35 Wigmore Street, W.1 (01-935 2141) Manager: William Lyne Mailing List 80p a year

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English Chamber Orchestra CITY LIVERY HALLS SERIES Fri. 27 April at 8 GOLDSMITHS HALL, Foster Lane. George Malcolm Bach Brandenburg Concerto No.3

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telephone: 01-245 8000

Saturday March 31 1979

Great expectations—the markets and the Tories

BY RICHARD LAMBERT AND PETER RIDDELL

The optimists take charge

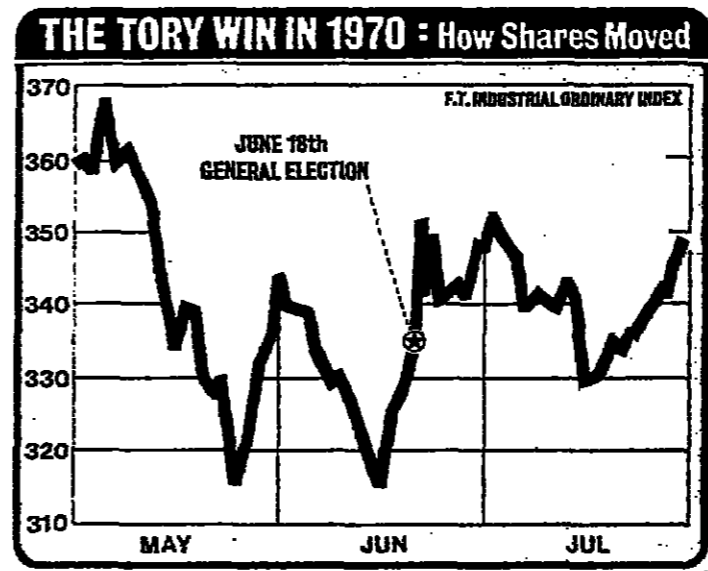
IT HAS been an extraordinary week. The Government has fallen, and the markets have celebrated 18 per cent rise in the price of oil has been welcomed as a victory for moderation...

THE CONSERVATIVES' PROMISES

A reduction in the basic rate of income tax from the present 33 per cent, and a widening in the higher rate tax bands.



The late Iain Macleod—echoes of a 1970 theme



as Imperial Group's recent disposal of its BAT Industries stake, already comfortably exceeding £200m this year...

Enterprise package

Instead, the belief is that all the Government can do is to provide the right background. This involves a two-pronged approach—medium-term monetary and public sector borrowing objectives...

The same themes

Ironically the City's hopes of what a Tory Government might do are not very different from those before the June 1970 election. After all, the late Iain Macleod, then Shadow Chancellor, had talked specifically about a shift from direct to indirect taxation...

Too hot to last

Clearly this pace was too hot to last. The FT 30-Share Index closed 19.5 points higher at 557.3 on Thursday morning, after the Government's defeat of the previous night...

Removal of controls

The Price Commission is another part of the present Government's anti-inflation strategy which the City would be happy to forget. Once again, the removal of controls would not necessarily have much immediate impact on many companies...

Enterprise package

Instead, the belief is that all the Government can do is to provide the right background. This involves a two-pronged approach—medium-term monetary and public sector borrowing objectives...

The same themes

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No timetable for change

For instance, the Conservatives have said that they will liberalise exchange controls. But they have deliberately omitted to give a possible timetable for changes, and a relaxation of restrictions on direct investment and trade credit might well come before any change in the rules covering portfolio investment...

Solid gain

However, in spite of present doubts and future problems, the fact that an election has at last been called is a solid gain. The next government could not possibly be worse equipped to tackle important problems than a demoralised minority, gerrymandering its way from week to week...

Letters to the Editor

Europe From Mr. D. Hurd, MP Sir,—Since the European Community is a partnership of nations states, Mr. John Cherrington is right to say (March 27) that any British Government will struggle tenaciously for British interests...

Insurance From Mr. W. Jaspert Sir,—In common with millions of other people in Britain, I have over the past weeks been receiving letters from various life insurance companies informing me that the new tax system will reduce the premiums for life policies to be paid...

Pensions From the Managing Director, Martin Paterson Associates Sir,—The new state pension scheme is now reaching the end of its first year. It is therefore interesting to review the present state of play, in particular the number and character of the forces whose votes were cast against full participation...

Analysts From Mr. L. Boorne Sir,—There certainly is no accounting for the incredible amount of advice that over the years has been offered to the "whipping boys" of analysts, banking correspondents and politicians alike—the clearing banks...

far less value, namely the money guarantees of life office pension contracts. In doing so they carry themselves the full inflation risk which the pension contracts do not cover...

is done to help the Post Office in cases of non-delivery. When I point out that it is unusual to indicate the contents of one's letters on the envelope, and that not all firms indulge in this practice, there is no reply...

Harmonisation From Mr. L. Hynd Sir,—In suggesting that all firms should have a common accounting year, Tim Prodham (March 27) overlooks a number of practical considerations. The fluctuations in workload which such a system would impose upon, for example, auditors, tax inspectors and printers, would make it unworkable...

Comparisons From Professor Innis Macbeath Sir,—The short answer to Mr. Chester (March 24) is that people evaluate jobs and make comparisons all the time. The points at issue are: who determines the evaluations and comparisons? What are the criteria? How far are they acceptable?

Reports From Colonel N. Dillon Sir,—Your excellent and much needed article on company reports (page 8, March 24) omits one aspect of the issue of these voluminous and costly brochures. I refer to the almost universal practice of printing on the envelope a description of the company concerned. This publicity of one's investments has undesirable effects which I need not enumerate...

resttlement, compensation and the loss of some of England's best farming land costs have been taken into Mr. Prior's sums. And has he costed any future union militancy which could disrupt the generation distribution of power if the UK majors on coal-fired stations? I am sure a little exponential smoothing would produce a curve of interest.

Nuclear stations are cleaner, more efficient and, taking the whole industry leading into power generation, just as safe as coal-fired stations. Added into these sums should be that, including raw material supply, nuclear stations take up less space, cause less disruption and, if sited on coastlines, can be seawater cooled. For fishermen, of course, the added value is larger fish.

While Michael Lafferty (March 21) is strictly right from a pure accountancy angle, may I as an ex-banker suggest that the strength of our big banks lies in the so-called hidden reserves. The lack as he puts it of detailed disclosure of bad and doubtful provisions is surely wise on another ground—it discourages takeover bids by people not fully understanding the operation of a bank. There is always the Bank of England who keeps her motherly eye on us. In fact there are also such people as bank auditors.

Why should so-called experts such as brokers' analysts have any further private information? Maybe they would like the chief accountant to show them the figures just before

publication to ensure winning the famous litre of Chivas Regal. L. H. Boorne. 4, Wilson Vallenburg Court, Old Bath Road, Spech, Newbury, Berks.

From Mr. P. Jefferey. Sir,—In reply to Mr. Prior of the International Energy Agency, at least the only reply fit to print on the subject of coal versus nuclear power costs (Page 8, March 27), is that it depends on how you do your sums.

The coal industry in the UK is very much a "social" industry and it does not depend upon hard economic realities to survive. As an example, Mr. Prior should examine the recent pay round when the National Coal Board, with hand on heart, affirmed that it had "only £30m" to distribute. However, after a quick union shuffle round the Government the sum grew quickly to the surprising size of £75m.

The coal industry in the UK also had hard muscle to use against those not in the industry. Although there is a Vale of Belvoir inquiry, is anyone seriously betting the NCB will lose, if it really wants to win? I wonder whether

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UK COMPANY NEWS

Vosper still troubled by compensation delays

REPORTING pre-tax profits down from £18.1m to £14.5m for the year to October 31, 1978, the directors of Vosper, shipbuilders and repairers, say results continue to be adversely affected by the absence of agreement of fair compensation for the nationalised subsidiaries.

Table with financial data for Vosper including Turnover, Profit before tax, Tax, and Dividends.

However, group turnover increased by 32 per cent to £177m, while Vosper Private in Singapore had a very good year achieving record turnover and profit.

At mid-way, pre-tax profits were ahead from an adjusted £204,372 to £193,608 and the board was confident of expecting a further improvement in trading results at the year-end.

The final dividend is 2.62p net making a maximum permitted total of 5.191p against 4.619p in 1977.

The directors say the associated company had a difficult year and they have decided to make a provision of £0.5m for future losses and reorganisation costs to meet the changed market conditions.

Philips calls off plans for Pye reorganisation

PLANS by the Dutch electrical group Philips Industries to reorganise Pye Holdings, the Cambridge telecommunications company, have been called off.

Last month following speculation in the shares Philips announced that it intended to discuss with Pye directors the possible reconstruction of their company.

In a brief statement last night, Philips said it had decided "not to proceed further with these ideas".

A spokesman for Philips, which has a 60.7 per cent stake in Pye, said it had never been the company's intention to take out all the minority shares.

The board of Saint Piran yesterday appeared to have overcome the attempt of a ginger group to rescind its decision.

But Mr. Mar Lemmon, leader of the ginger group challenged the vote-counting in the poll called at the EGM to decide the issue.

Ward White up 51% to £4.8m

A STEADY advance was made by Ward White Group during 1978 and this footwear manufacturer, electrical and mechanical engineer finished the year with taxable profits ahead by 61 per cent from £2.2m to £3.6m.

At mid-way profits had risen from £1.5m to £2.1m and the directors say they expected that results for the full year would show a substantial improvement over 1977.

Mr. G. E. McWatters, chairman, stated now that production was affected in the early months of 1979 by the adverse weather.

The total net dividend for the year is stepped up, on increased capital from 2.7p to 4.02p per share with a final of 2.68p.

The chairman says that Bets and Broughton, acquired in May, 1978, and integrated into the safety products division, made a substantial contribution to profits.

There were good performances from the manufacturing and distribution divisions, and a number of merchandising developments in the retail subsidiaries.

Table with financial data for Ward White including Turnover, Trading profit, Loan interest, and Dividends.

There were good performances from the manufacturing and distribution divisions, and a number of merchandising developments in the retail subsidiaries.

Mr. Gordon L. Bramsh, chairman, says there are signs that the ferrous foundry market is improving but profit margins are not yet satisfactory.

The interim dividend is increased to 0.37p (0.335p) net per 10p share—last year's final was 1.00p on pre-tax profits of £506,735.

The directors are disposing of the premises occupied by John Fowler and the business is being transferred to the building nearby, acquired last year, some £100,000 expected to be realised, a figure in excess of book value.

The first stage of the modernisation programme at Sproborough has started, they add, and they expect this project to be operational during 1980.

Net profit is up from £226,825 to £328,737 after tax of £296,000 (£294,500). There was an extraordinary profit last time of £17,371, following the sale of surplus land and buildings.

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Net profit for the half year came out at £122,992 (£40,544).

Early & Marriott progress

A SECOND-HALF recovery raised taxable profits of Charles Early and Marriott (Whites) the blanket manufacturer, from £517,205 to £584,737 in the year to February 2, 1979.

Turnover for the period was up from £6.68m to £7.15m. Exports, mainly because of exchange rates and inflation, fell from £2.52m to £2.15m but the shortfall was more than made up for by buoyant UK sales.

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Watts, Blake goes ahead to £3m and current year starts well

AS FORECAST at mid-way, Watts Blake Bearing and Co. maintained its record of profit improvement in 1978. Taxable profits advanced from £2.67m to £3.02m on sales up from £17.58m to £19.06m.

The group says the current year has started well. It expects an improvement in Continental markets to compensate for anticipated slow down in the UK.

However bad weather in January and February hit production and for a time materially increased operating costs. As to the industrial disruption on the roads and railways, the delivery reductions this caused were largely offset by exports, following a delay in shipments from the UK in December last year.

The pre-tax profits were boosted by a turnaround on the currency side. There is a post-current-year profit of £44,000 this time, against a £140,000 loss. Last time there was a profit on sale of trade investments of £74,000.

Tax taken, £15.5m, compared with £13.3m, and net profit is raised from £1.94m to £1.47m. Stated earnings per 25p share are up from 9.88p to 11.1p.

Catalin well up at £0.35m

INCLUDING results from Resinfilms, acquired in February 1978, taxable profits of Catalin, industrial resins and resin-treated paper maker, rose from £219,919 to £349,708 for 1978. Resinfilms contributed £91,989. Last year's profit figure included £56,821, an

After tax of £185,761 (£113,754), minorities got £2,992 (£12,121) profits and dividend of £10,120 (£48,059), the amount to be added to reserves emerged at £107,120 against £38,985.

Consolidated Gold Fields has undergone a big change recently and is trying to reduce its dependence on South Africa, a policy which has not always met with the market's approval.

Lucas' poor results last week will not improve expectations of what GRN will serve up when it announces its preliminary figures for 1978 on Thursday.

The directors say the current year has started well. It expects an improvement in Continental markets to compensate for anticipated slow down in the UK.

Lyle Shipping steps up dividend on prospects improvement

PRE-TAX profits of Lyle Shipping were down from £67,000 to £19,000 for 1978 on turnover of £17,000 (£17,000) against £13,46m.

The group reported a £215,000 loss at the interim stage, compared with profits of £20,000. The directors then said that operating profits, down from £1.62m to £940,000, would recover in the second half to about the same level as the previous year—in

the event, for the second period, they came out at £1.9m (£1.93m).

After tax for the year of £517,000 (£700,000) there is shown a loss of 8.7p per 25p share (1.87p earnings).

The directors say that the level of operating profits in the second six months is indicative of targets for the current year, and on present showing, they feel they will achieve them.

Operating profits of £2.44m (£3.55m) for the year included results from shipowning operations of £1.12m (£1.86m), after depreciation £227,000 (£283,000), and associates companies £1.16m (£1.39m).

Interest took £198m against £213m. There was a £24,000 (£84,000) profit on the sale of ships, but there were exchange losses on loan repayments of £1.07m compared with £1.08m.

Breedon & Cloud Hill advances

TAXABLE PROFITS of Breedon and Cloud Hill Lime Works went ahead from £745,059 to £887,988 in the year to January 31, 1978, on turnover up from £2.79m to £3.21m.

As forecast at the halfway stage when the group turned in record results of £253,274, against £203,151, the total profit for the year is lifted to 4.66p net per 25p share (4.89p). The final dividend is 3.66p.

Tax takes £442,909, compared with £390,974, and stated earnings per share up from 8.97p to 11p.

Lyle is a rather special case in the shipping world. It concentrates on carrying bulk freight in ships up to 30,000 tonnes, mainly between Australia and Japan. At the halfway mark it recorded a loss of £215,000 but hardening freight rates combined with an increase in the number of ships on time charter and a fall in the number of ballast trips meant that shipowning profits improved significantly in the second half.

This improvement in outlook has given the directors the encouragement to increase the dividend for 1978 from 4.937p to 5.47p net per share with a final payment of 2.83p.

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Clifford's Dairies well ahead

Profits before tax up from £879,275 to £1,420m, an higher turnover of £90.9m, against £82,097, are reported by Clifford's Dairies for 1978.

First half profits had risen from £426,000 to £481,000. The year's profit is after all charges £1,420m against £820,975. The dividend is 1.17p, against 10.3p SSAF 12 and 15 have been adopted and compulsory adjusted.

The year's dividend is lifted from 1.9675p per 25p share to 2.12p.

Net profit for the half year came out at £122,992 (£40,544).

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Results due next week

Next week's Stock Exchange List contains a mixed bag of companies. The main interest will be focused on the preliminary results of three insurance companies—Sun Alliance, Phoenix and Pearl—Ocean Transport and Trading, Great Eastern and Nettledale, Reckitt and Colman, Broom Corporation and Cadbury Schweppes. Consolidated Goldfields is reporting interim results.

The market is a little uncertain what to expect from Cadbury Schweppes next Thursday, when the preliminary results are due to be announced. This is mainly because of the expected change in treatment of the Nigerian company which started the year as a 60 per cent-owned subsidiary and ended as a 40 per cent associate.

Wombwell expansion in first half

REFLECTING an increased contribution from Wombwell Foundry and Jobu Fowler, together with results of Sproborough Foundry acquired in April, 1978, taxable profits of Wombwell Foundry and Engineering Company surged from £105,200 to £258,029 for the six months to January 31, 1978.

Turnover was well up from £1.43m to £3.58m. Mr. Gordon L. Bramsh, chairman, says there are signs that the ferrous foundry market is improving but profit margins are not yet satisfactory.

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Charterhall sees benefit from higher oil prices

Reflecting the excess of group operational expenditure over net income of the financial groups, the directors of Charterhall report a loss of £31,524 for the six months to December 31, 1978, compared with a £10,052 profit last time.

A second half loss in the 1977-78 year left the full year's figure down to £110,000, £1,000 at the pre-tax level.

The group's main business includes investment and direct participation in oil exploration and development. The directors say that operational expenses, in the first half, were mainly associated with the continuing development of the oil mineral interests which are not yet revenue producing.

Capital costs are now fixed within narrow limits at about £140m and long-term contracts have been signed for most major items involved in operating the Buchanan Field. Accordingly, the expected increase in crude oil prices should make a significant impact on profits from this field, they say.

Jamesons behind over year

DESPITE A static second half, taxable profits of Jamesons Scotchwhiskies finished the 1978 year behind at £31,600, against £294,745 on turnover ahead, from £6.54m to £6.88m.

At the interim stage profits had declined from £267,039 to £199,177.

After tax of £261,046 for the full period, compared with £224,725 last time, earnings are shown as 9.1p (11.4p) per 10p share. The dividend total is lifted to 3.34p net (3.24p) with a final payment of 2.75p.

Jamesons is a private company controlled by Mr. Henry and Mr. Bernard Whitehead and Trustees of their family settlements.

Table with financial data for various companies including American Trust Company, Black & Veatch, etc.

Table with financial data for various companies including Mersey Docks and Harbour Company, Miller (F) Textiles, etc.

Table with financial data for various companies including British Overseas Airways Corp., British Petroleum, etc.

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Rockwell International increased its indicated offer for Wilnot Bredren from 95p per share to 115p per share, but the new proposal was, like the first, rejected by Wilnot as inadequate. The Wilnot Board wants a 135p per share cash offer to be made, but Rockwell has already acquired a 29.98 per cent stake and has stated that its latest offer will not be increased.

Furniture group PMA Holdings has conditionally agreed to buy furniture concerns Ladyship, whose trading subsidiary is Gower Furniture, and Skelham, whose principal trading subsidiary is Refractories, for a total consideration of £5.2m.

In a major expansion move for the company, Exchange Telegraph, the information and printing group, has acquired Wigmore Holdings — which owns Royds Advertising, one of Britain's largest advertising groups — for £5m in cash and shares.

The American FMC Corporation's proposed bid for Alginite Industries has, like the previous attempt, bid from Merck Incorporated, fallen foul of a Monopolies Commission reference.

Company bid for	Value of bid per share*	Market price**	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Ash Spinning	110	107	108	0.88	John Bright	6/4
Caledonian Hlds.	178	174	169	13.3	Comet	—
Caledonian Hlds.	180	174	148	12.7	Lond. & Midland Inds.	11/4
English Prop.	50	59	54	57.3	Olympia & York Dev.	23/4
Glass & Metal	149	141	130	5.88	HAT	—
H. T. Invest.	140	135	135	3.44	Thraford Park Estates	5/4

Company bid for	Value of bid per share*	Market price**	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Intereuropean Property	90	89	57	12.77	Assoc. Com-munications	6/4
Junsen Richards (Lds.)	164	163	109	35.8	Norcross	—
Titles & Wms.	126	130	107	9.89	RFD	—
Sec. & Univ. Invs.	155	196	169	4.07	Lonrho	—
Smith Wallis	169	165	148	1.69	R. Cartwright	—
White Child & Boney	200	200	108	4.58	A. Guinness	—

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Appleyard	Dec.	1,945	17.4	0.25 (4.91)
AW Property	Dec.	18,130	41.3	58.7 (5.76)
Arncliffe Hlids.	Oct.	656	34.8 (10.6)	2.01 (—)
Assoc. Beef	Dec.	3,370	26.10 (35.5)	30.4 (5.13)
Bambers Stores	Jan.	2,780	12.80 (19.3)	8.9 (2.22)
Barton & Sons	Dec.	3,387	15.7 (14.9)	3.07 (2.75)
BEA Group	Dec.	7,560	11.3 (9.5)	2.66 (2.41)
Beaton Clark	Dec.	2,350	26.6 (37.8)	7.0 (8.2)
Bentwood	Dec.	78	3.7 (3.1)	1.0 (0.9)
BICC	Dec.	56,833	16.8 (13.2)	7.79 (7.05)
Biddle	Dec.	1,170	14.2 (9.1)	7.45 (8.78)
Boddings. Brew.	Dec.	3,094	6.6 (6.6)	2.91 (2.81)
Booker McConnell	Dec.	24,510	54.3 (51.2)	7.9 (7.19)
Brent Chemicals	Dec.	2,658	16.3 (11.9)	3.44 (2.98)
British Mohair	Dec.	2,830	11.5 (10.8)	4.4 (2.72)
Brook Group	Dec.	1,014	11.4 (4.2)	3.8 (3.4)
Bronx Exgr.	Nov.	317	7.9 (5.9)	1.76 (1.57)
Bruntons	Dec.	1,842	11.7 (11.4)	7.82 (7.06)
Carlton Inds.	Dec.	10,652	35.2 (26.1)	5.5 (5.47)
Cartwright (R.)	Dec.	931	11.0 (8.7)	4.06 (3.84)
Coates Bros.	Dec.	9,250	11.7 (8.8)	2.6 (2.38)
Desporter Bros.	Dec.	3,390	17.1 (18.2)	2.6 (5.2)
Dufay Bitumastic	Dec.	863	4.8 (3.6)	2.34 (1.42)

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Equity & Law Life	Dec.	1,710	11.0 (8.2)	2.2 (2.0)
FC Finance	Dec.	1,830	11.0 (8.2)	2.2 (2.0)
Federal Int'l.	Dec.	527	4.9 (3.2)	1.85 (1.76)
Federated Land	Dec.	923	4.5 (3.7)	2.73 (2.3)
Gibbs & Dandy	Dec.	474	8.1 (7.4)	2.0 (1.82)
Glenf. Warehous.	Dec.	10,680	15.7 (14.2)	6.21 (5.88)
Hanger Invs.	Dec.	2,340	25.8 (26.8)	0.50 (0.48)
Home of Fraser	Jan.	4,242	20.9 (17.8)	5.32 (4.77)
Howden (Alex)	Dec.	17,729	12.1 (18.2)	7.0 (5.59)
Ibstock Johnson	Dec.	5,080	26.7 (26.8)	6.86 (6.14)
Lane (Percy)	Dec.	303	3.0 (14.3)	3.31 (3.31)
Legal & General	Dec.	20,500	10.3 (8.9)	6.51 (5.85)
Leyland Paint	Dec.	2,550	24.3 (19.5)	6.07 (4.63)
Magnolia Group	Dec.	972	38.0 (35.8)	3.47 (2.73)
Manders Hlids.	Dec.	3,440	15.8 (11.8)	3.31 (2.84)
Mathews (Brnd.)	Dec.	3,370	39.1 (31.0)	10.2 (9.23)
Mixconcrete	Nov.	2,070	10.6 (8.0)	3.87 (3.19)
Moorhouse & Brock	Jan.	1,230	49.6 (62.7)	4.56 (4.88)
News Intl.	Dec.	24,930	56.8 (44.7)	9.93 (8.9)
Prudential Corp.	Dec.	41,200	13.8 (11.0)	8.0 (6.55)
Reed (Austin)	Dec.	3,320	20.0 (12.4)	6.0 (4.33)
Rotorok	Dec.	3,303	19.7 (10.2)	1.31 (1.18)
Royal Worcester	Dec.	2,689	28.6 (10.7)	7.18 (5.39)
Sayers	Dec.	2,340	6.7 (4.0)	2.5 (1.5)
Schroders	Dec.	4,940	5.7 (—)	12.7 (11.57)
Sharma Ware	Dec.	915	29.9 (16.7)	2.66 (2.4)
Shaw Estates	Dec.	8,230	6.2 (4.8)	6.53 (2.28)
Solicitors Law	Dec.	796	3.6 (3.4)	1.47 (3.88)
Stag Furniture	Dec.	2,256	37.1 (21.1)	6.5 (4.8)
Stanley (A. G.)	Dec.	1,933	29.9 (21.5)	4.8 (3.8)
Thames Bardex	Dec.	419	3.2 (2.0)	0.78 (2.83)
Ud. Newspapers	Dec.	6,580	64.6 (48.4)	15.61 (14.1)
Wace Group	Dec.	3,401	12.2 (4.7)	1.76 (1.57)
Waverly, Cameron	Dec.	289	59.5 (25.6)	11.0 (7.59)
Wilkinson Whrtn.	Dec.	1,030	19.2 (11.9)	5.71 (5.11)
Wolmshelm, Rink	Dec.	1,880	26.5 (17.5)	5.0 (2.91)
York Trailer	Dec.	1,150	7.8 (2.3)	2.29 (2.14)
Zenith Carb.	Dec.	281	2.5 (10.8)	2.82 (4.4)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Beckman (A.)	Dec.	1,060 (870)	1.95 (1.77)
Bentima Inds.	Dec.	165 (150)	—
Blar Inds.	Dec.	327 (364)	1.26 (1.01)
BPM	Dec.	2,530 (1,250)	1.06 (0.51)
Epicure Hlids.	Dec.	208 (26)	0.33 (Nil)
Heusler (Frmt.)	Sept.	342 (217)	—
Leucas Inds.	Jan.	24,090 (27,610)	2.97 (2.33)
Geecna Hlids.	Oct.	2	—
Paterson Zochonis	Nov.	9,431 (9,179)	3.3 (3.0)
Ricardo Engrs.	Dec.	501 (407)	2.75 (1.15)
Samuel Props.	Dec.	1,319 (494)	1.0 (—)
Sanderson Murray	Dec.	41 (88)	—

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. \* Adjusted for any intervening scrip issue. † Nine months. ‡ Profit attributable to shareholders. § Net profit after tax. ¶ After deducting pre-acquisition profits. L Loss.

## Offers for sale, placings and introductions

County of Cleveland: Placing of £5m variable rate redeemable stock 1984 at 299.

English Association: Introduction of 76,752 participating redeemable preference shares of 1p each.

## Scrip Issues

Bambers Stores: One for one. Barton and Sons: One for five. BBA Group: One for four. Brock's Group: One for five. Gibbs and Dandy: One non-voting "A" share for one ordinary or one non-voting "A" share. Istock Johnson: One for one. Reed (Austin): One "A" ordinary for two "A" ordinary or employee's shares. Slough Estates: One for two. Stanley (A. G.): Two for one.

## Rights Issues

Bealson Clark: One for three at 185p. Brent Chemicals: One for three at 20p.

## CORAL INDEX: Close 531-536

INSURANCE BASE RATES	
† Property Growth	12%
† Unburgh Guaranteed	10.50%

Series	Vol.	Apr	May	June	July	Aug.	Sept.	Stock
ABN C	10	8	10	10	10	10	10	F,560.50
ABN CF	354.20	—	—	—	—	—	—	F,29.50
AKZ C	10	10	10	10	10	10	10	F,2.80
AKZ CF	5.30	4.8	6.0	1.80	1.8	1.70	1.70	F,50.50
AKZ C	2	54	8	7.4	—	—	—	F,86.5
HO C	10	10	10	10	10	10	10	F,5.20
HO CF	3.30	—	—	—	—	—	—	F,1.30
HO C	10	10	10	10	10	10	10	F,4.40
HO CF	8	20.4	—	1.20	—	—	—	F,1.7
IBM C	10	10	10	10	10	10	10	F,28.5
IBM CF	3	1	1	0.35	—	—	—	F,102.50
KLM C	10	0.80	10	1.70	15	3.50	3.50	F,11.1
KLM CF	1.10	—	—	—	—	—	—	F,24.66
KLM C	10	2.80	20	4.40	3.40	15	5.80	F,1.20
NR C	10	0.80	40	0.70	10	1.20	1.20	F,1.10
PHI C	10	2	211	0.70	10	0.80	30	1.10
PHI CF	3.28	—	—	—	—	—	—	F,137.50
PHI P	8	11	1	1.4	1.4	—	—	F,857
PHI C	10	1	1	1.3	—	—	—	F,4.50
RD C	10	7	7.40	10	7.50	—	—	F,2.50
RD CF	1.28	8	26	4.50	8	4.50	—	F,1.28
RD C	10	8	7.8	1.9	4.8	—	—	F,1.28
RD CF	1.10	—	—	—	—	—	—	F,5.50
UNI C	10	2	—	—	—	—	—	F,3.30
UNI C	10	21	—	—	—	—	—	F,106

TOTAL VOLUME IN CONTRACTS 1205  
Q=Call P=Put

## APPOINTMENTS Finance director for the Westland Aircraft

WESTLAND AIRCRAFT has chosen its new group finance director, following the retirement in January of Mr. Philip Oppenheimer. He is Mr. Hugh Stewart, 44, currently managing director of the SMM Foundries subsidiary of Stone-Platt Industries. He will join Westland on August 1.

Cost over-runs have caused Westland's major problems in recent years and it was widely known that the chairman and chief executive were intent on strengthening financial management. Mr. Stewart worked for five years as a financial controller in a subsidiary of International Telephone and Telegraph, before going on to American Machine and Foundry and, in 1971, to Stone-Platt.

Mr. Ron Phillips has retired from the deputy chairmanship of IPC MAGAZINES and from the Board of the INTERNATIONAL PUBLISHING CORPORATION.

Mr. Donald B. Grant, senior partner of the Dundee office of Thomson McLintock and Co., has been elected president of the INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND.

Mr. H. S. Bottomley and Mr. J. H. W. Hodson have been appointed directors of DAWNAY DAY AND CO. Mr. D. J. Poll has left the company to join a private investment group.

Mr. R. A. Stockdale has been appointed president of the SKIPTON BUILDING SOCIETY and Mr. B. Braithwaite-Evley has become vice-president.

Mr. E. H. Vestey, chairman of Blue Star Line, has been appointed chairman of ASSOCIATED CONTAINER TRANSPORTATION (AUSTRALIA) in succession to Sir Basil Smallpeice, who is retiring.

Professor Joseph Black, Professor of Engineering at Bath University, has been appointed a member of the MECHANICAL ENGINEERING AND MACHINE TOOL REQUIREMENT BOARD of the Department of Industry. Professor Black has also joined the joint Department of Industry/Science Research Council Computer Aided Engineering Panel.

Mr. S. K. White has been appointed to the Board of CATTLE'S (HOLDINGS). He is chairman of the Premier Clothing and Supply Company of Swansea which recently joined the Cattle's Group.

Mr. C. Thompson has been appointed works director of W. & T. AVERY. He succeeds Mr. R. A. N. Stratton, who will remain a deputy chief general manager of Phoenix Assurance, has joined the Board of LEEDS AND HOLBECK BUILDING SOCIETY. Mr. Stone, who is an assistant general manager of the Society, will become chief executive when Mr. Horace Shackleton retires in March, 1980.

Mr. R. F. Huddle has resigned as a director of DENBYWARE with effect from the end of this month to take up another appointment.

Mr. David Dryer and Mr. Derek Potts have been appointed associate directors of BIS APPLIED SYSTEMS.

Mr. R. K. Bishop, a director and chief general manager of Phoenix Assurance Company, has been appointed chairman of DAS LEGAL EXPENSES INSURANCE COMPANY, in succession to Mr. W. C. Harris who has resigned. Mr. Bishop has been a director of DAS since its establishment in 1975. Mr. K. Wilkinson, a deputy chief general manager of Phoenix Assurance, has joined the Board.

### BRITANNIA INVESTMENT MANAGEMENT

Britain Fund Managers provides discretionary and professional investment management for pension funds, institutional and private clients in the UK and overseas for portfolios of £50,000 or more, and a discretionary unit trust portfolio management service for investment funds of £1,000 plus. These are kept under the close supervision of a director who is in constant touch with clients' individual investment and tax requirements. For full details of our portfolio management services, please contact:  
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To: Denis Finning (Director) F.C.A., British Fund Managers, London Wall Buildings, London Wall, London EC4M 3JL

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Individual Portfolio Management (£50,000 or more)

Name: FT26  
Address: \_\_\_\_\_

### BRITANNIA FUND MANAGERS

CLIVE INVESTMENTS LIMITED  
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101.  
Index Guide as at March 20, 1979 (Base 100 on 14.1.77)  
Clive Fixed Interest Capital ..... 148.52  
Clive Fixed Interest Income ..... 121.50

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.  
45 Cornhill, London, EC3V 3PB. Tel: 01-623 6314.  
Index Guide as at March 20, 1979  
Capital Fixed Interest Portfolio ..... 111.50  
Income Fixed Interest Portfolio ..... 103.75

manager of Phoenix Assurance, has joined the DAS Board.

Mr. H. Peter Hart has joined the Board of BAIKO LIMITED and its subsidiaries, Babco Tools, Babco Ventilation, and A. Sassoon and Co., and has been appointed chairman. He succeeds Mr. R. S. Clisby, who is retiring from the group, but will remain a consultant. Mr. Jvar L. Lundberg has been made a member of the Board of Babco Tools. Mr. Hart also moves on to the Board of Mecman and has become chairman to replace Mr. H. Nordquist who continues as a director.

Mr. Peter B. Rogers is to become a deputy chief executive of the HOUSING CORPORATION from April 23. The Reverend Ken Bartlett has been appointed to the new post of chief officer, housing policy division, in the Corporation.

Mr. Don Watt has been appointed managing director of MANCO following the resignation of Mr. Fred Dalloway.

Mr. P. Cester has been appointed managing director of METROPOLITAN PENSIONS ASSOCIATION (HOLDINGS), in succession to Mr. F. Grant, who continues as chairman, in a non-executive capacity. Mr. R. Shepherd has joined the Board.

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Less Corporation Tax 52,000  
Remainder available for distribution to you 48,000  
Less Personal Tax @ 98% 46,567  
Net amount available for you £1,433

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Manchester: 061-833 0671 Birmingham: 021-454 4348

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## Economic Diary

**MONDAY** - Joint meeting of EEC Finance and foreign Affairs Councils. Luxembourg. WEBNESA - National Economic Development Council Prime Minister, visits President Sadat of Egypt in Cairo. Quarterly analysis of bank advances and other instalment credit business. (February). Retail sales (February - final).

**TUESDAY** - House of Commons debates short Finance Bill, replacing full Budget, to allow collection of taxes until new Government is elected. UK official reserves (March). (Capital issues and redemptions of British Industry monthly trends (March). EEC Foreign Ministers meet. Luxembourg. EEC-Greece Ministerial conference, Parliament.

**WEDNESDAY** - National Council monthly meeting. Sir Richard March, chairman, Newspaper Publishers Association, at Building Material producers luncheon, Savoy Hotel, London. (February). Retail sales (February - final).

**THURSDAY** - Mr. Roy Jenkins

WORLD STOCK MARKETS

Early losses on Wall St: off 4

majority, while the trading volume sharply contracted 9.03m shares to 197.9m compared with 1.0m on Thursday.

After opening 0.87 up at 867.64, the Dow Jones Industrial Average retreated to 862.55 by 1 pm for a net loss of 4.42 on the day and reducing its gain on the week to 2.60.

INDICES

Table with columns for NYSE All Common, Dow Jones, Standard and Poors, and various international indices like Australia, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Singapore.

F.T. CROSSWORD PUZZLE No. 3,936

A price of £5 will be given to each of the senders of the first three correct solutions opened.

Crossword puzzle grid with clues for Across and Down sections.

ACROSS 1 Acquire pass (4, 2) 2 Disability to give to one player picked for his country (8)

SOLUTION AND WINNERS OF PUZZLE No. 3,930 Following are winners of last Saturday's puzzle:

Mrs. E. Fell, 2 The Barr, Crooked Lane, Birdham, Chichester.

solidated Edison \$1 to \$25. Geosource moved up \$1 to \$37.

CANADA—Markets remained mixed in active trading yesterday morning, with the Toronto Composite Index of 0.5 at 1,466.77.

NEW YORK

Table listing various New York stock prices including Abbott Labs, ADM International, Alcoa, Alcan, Allegheny Power, Allied Chemical, etc.

RACING BY DOMINIC WIGAN

Lord Brownodd is likely for National

TPC-CLASS jockeys have an abysmal record at big race riding decisions, but I cannot remember when the wrong choice has worked in reverse for the same two riders within 48 hours.

The irony may be reality by about 3.45 this afternoon. Andy Turnbull, noted for Beacon Light in preference to Bird's Nest in Thursday's Holiday Inn Hurdle, and John Francombe, who came in for the winning ride, has gone for Rough And Tumble this afternoon in preference to Lord Brownodd.

The last-named is taken to give Turnbull a National victory.

LIVERPOOL 2.00—Cashback 2.35—Mansfield\* 3.50—Lord Brownodd\*\*\* 4.35—Whitby The Law\*\* 5.05—Hikari

which he most closely approached previously partnering Charles Dickens to third place behind Red Rum and L'Escargot in 1974.

Lord Brownodd, a tough and game 11-year-old and put up probably his best recent performance at Newbury last time out. Running over a distance far short of his optimum, the Bargoyle bay did well to finish a close third behind Harry Hotspur and Young Arthur in a 2 1/2-mile handicap.

A reliable although not extravagant jumper, Lord Brownodd appears to have been let in leniently with the minimum allocation of 10 stone, and he appears as 'real value' at 33-1 in a race in which only four

Table listing various international stock markets including GERMANY, AUSTRALIA, PARIS, STOCKHOLM, COPENHAGEN, AMSTERDAM, VIENNA, JOHANNESBURG, SWITZERLAND, MILAN, OSLO.

Main table of world stock markets with columns for Stock, Price, Change, and various market indices.

Sydney SE steps into mail deal

James Forth in Sydney

SYDNEY Stock Exchange intervened in the Kelvinator Australia affair with a "pest" to Email to make sever offer for the remaining shares in Kelvinator. This was a compromise...

BASF aided by second half upturn

BY GUY HAWTIN IN FRANKFURT

A MARKED second-half upturn in business substantially improved BASF's sales and earnings last year. A provisional report on 1978 from the major chemicals concern said yesterday that the upturn was continuing this year.

DM 23.25bn (\$12.43bn). This was an improvement of 0.3 per cent on the 1977 result and, while this may not appear very impressive, it is a great improvement on the early 1978 forecasts.

last year by 1.7 per cent from DM 21.15bn in 1977 to DM 21.51bn, with growth rates led by Europe where turnover went up by 4.4 per cent. Indeed, sales abroad led the way, rising by 3 per cent, although this was primarily a result of the inclusion of Badische Corporation, the U.S. subsidiary, which is now wholly-owned by BASF.

reflected in earnings. But despite "unhealthy" currency relationships and tough foreign competition, exports as a proportion of total sales rose to 55.7 per cent.

World debt figures to be pooled

By Mary Campbell

THE WORLD'S monetary authorities are on the verge of pooling their sources of information to publish figures on the total foreign debt of individual countries. Such a publication would make use of information which these institutions have long had for their own purposes but which is at present not publicly available.

China signs first western bank loan

BY FRANCIS GHILES

THE FIRST commercial loan for China to be arranged by a Western bank was signed yesterday in London. It amounts to \$175m for five years and has been arranged by Midland and International Banks (MIALB) for the Bank of China. No other terms are disclosed.

cent while the short-term refinancing would be at a margin of 2 per cent over the London Interbank Rate. A further loan amounting to \$30m is being extended to the People's Republic of China by Chase Manhattan Corporation. No other terms are available and the funds are earmarked for the financing of the initial stages of China's foreign trade centre in Peking. Building of the centre is expected to begin next year.

HQ disposal limits losses at Pirelli

By Paul Betts in Rome

INDUSTRIE PIRELLI SPA, the chief operating company of the Pirelli group in Italy, reported yesterday a loss of L2.2bn (\$2.6m) for last year, compared with L5.5bn in 1977.

Losses at Swedish papermaker

BY VICTOR KAYFETZ IN STOCKHOLM

BILLERUD UDDEHOLM, the Swedish pulp, paper and board group created by the August 1 merger of the Billerud company and Uddeholm's forest industry operations, reports a 1978 pre-tax loss of Skr 84m (\$19.3m) before extraordinary items, compared with an adjusted loss of Skr 62m in 1977. The Board is passing the dividend, which in 1977 was Skr 4.

Berliner Bank plans to continue rapid expansion

BY LESLIE COLTITT IN BERLIN

BERLINER BANK will continue its brisk expansion beyond the city limits into West Germany after what managing director Dr. Jakob Kehren calls the fourth in a series of "golden banking years" last year, in which net earnings rose by DM 3.6m to DM 27.2m (\$14.62m).

Greek sale by Steyr-Daimler

By Paul Lendvai in Vienna

AUSTRIAN MOTOR concern Steyr-Daimler-Puch is to reduce from 70 per cent to 32 per cent its shareholding in the \$15.2m capital of Steyr-Hellas S.A. The 68 per cent majority interest will be taken over by partners "selected" by the Greek government.

Commodity & General Management Co Ltd. 10-12 St George's Street, Douglas Isle of Man. Tel: 0624 25015

Chrysler ahead in Australia

By Our Sydney Correspondent

CHRYSLER AUSTRALIA incurred a loss of A\$20.6m (U.S.\$23.1m) in 1978, but the company is now back in profit and the directors are confident that 1979 will be a good year.

Television chief moves over to rival NBC

BY JOHN WYLES IN NEW YORK

THE RESTRUCTURING of RCA's National Broadcasting Company, still firmly anchored in third place among the television networks, is continuing with the appointment of a new vice-chairman.

Cocoa hits nine-month low

BY OUR COMMODITIES STAFF

ER TRADING within a £10 a for most of the week on cocoa futures staged a remarkable decline in September position yesterday.

World debt figures to be pooled

By Mary Campbell

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China signs first western bank loan

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AMERICAN MARKETS

NEW YORK, March 30. (S&P 500) closed at 132.30, up 0.30 from 132.00. Volume 1.8 billion shares.

NEW YORK, March 30. (Dow Jones Industrial Average) closed at 2,825.34, up 15.34 from 2,810.00. Volume 1.8 billion shares.

NEW YORK, March 30. (Gold) closed at \$378.00, up \$1.00 from \$377.00. Volume 1.8 million ounces.

NEW YORK, March 30. (Oil) closed at \$20.15, up \$0.05 from \$20.10. Volume 1.8 million barrels.

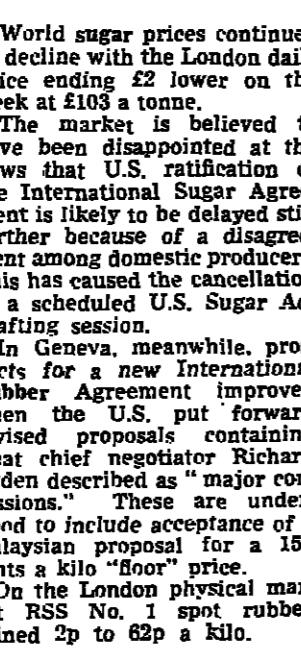
NEW YORK, March 30. (Sugar) closed at 17.00, up 0.05 from 16.95. Volume 1.8 million tons.

NEW YORK, March 30. (Cotton) closed at 52.00, up 0.05 from 51.95. Volume 1.8 million bales.

NEW YORK, March 30. (Wheat) closed at 1.25, up 0.01 from 1.24. Volume 1.8 million bushels.

COFFEE

COFFEE prices fell back from the five-year high reached last week. Cash wirebars closed last night \$43 down on the week at \$1,019.5 a tonne.



Selling by speculators, taking their profits after the recent upsurge in the market, was the dominant influence. London followed the downward in New York started late on Friday last week when heavy selling emerged from commission houses.

Prices rallied mid-week on reports of a strike threat looming over the giant Canadian Copper refinery in Montreal. Labour contracts expired there on March 23, but a strike deadline has been fixed for April 4.

So far negotiations between the two sides have failed to agree new contract terms. "Peace" talks to settle the six-month-old strike at International Nickel's Sudbury mine complex, which includes Canada's other copper refinery, made little progress, so it is feared supplies from Canada could dry up completely.

Zaire claimed this week that production had returned to normal in March and that its full delivery commitments would be met. This was greeted with considerable scepticism by the trade who said that shipments were already lagging considerably behind.

Nevertheless, despite further falls in warehouse stocks, a lack of new buying interest brought out heavy speculative selling. Last night Asarco, the U.S. producer, announced it had cut its domestic selling price.

WHEAT

Table with columns: Wheat, No. 1 Red Spring, Am. Hard, Winter (Jan), No. 1 Milling (crop), etc. Prices listed in \$/cwt.

COCAOA

Table with columns: Cocoa, High Grade, Cash, 3 months, 6 months, 9 months, 12 months, etc. Prices listed in \$/tonne.

COFFEE

Table with columns: Coffee, Arabica, Robusta, 1978/79, 1977/78, etc. Prices listed in \$/tonne.

COCAOA

Table with columns: Cocoa, High Grade, Cash, 3 months, 6 months, 9 months, 12 months, etc. Prices listed in \$/tonne.

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COFFEE

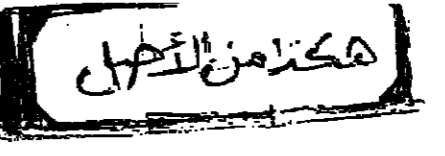
Table with columns: Coffee, Arabica, Robusta, 1978/79, 1977/78, etc. Prices listed in \$/tonne.











AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Allen Harvey & Ross Unit Tr. Mgrs., Allied Funds, and others, with columns for fund names and performance metrics.

Table listing insurance and property bonds companies and their products, including Prudential Life Ins. Co. Ltd., National Westminster (a), and others.

Table listing various financial services and trusts, including Schindler Trust Mgrs. Ltd., Target Tr. Mgrs. (Scotland) (a) (i), and others.

Table listing offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgr. (C.I.), and others.

NOTES section containing small text and footnotes related to the fund listings.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various bond and rail securities.

BANKS & HP—Continued

Table with columns: Stock, Price, % Chg, Div, Yield. Lists bank and home purchase related securities.

CHEMICALS, PLASTICS—Cont.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists chemical and plastic industry securities.

ENGINEERING—Continued

Table with columns: Stock, Price, % Chg, Div, Yield. Lists engineering industry securities.

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of food and grocery securities.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists hotel and catering securities.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists industrial securities (miscellaneous).

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of industrial securities.

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of industrial securities.

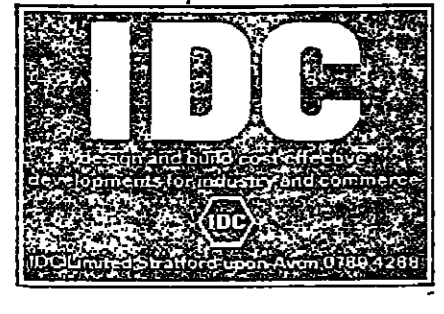
Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of industrial securities.

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Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of industrial securities.



BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table with columns: Stock, Price, % Chg, Div, Yield. Lists British funds.

AMERICANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists American funds.

Overseas

Table with columns: Stock, Price, % Chg, Div, Yield. Lists overseas funds.

Undated

Table with columns: Stock, Price, % Chg, Div, Yield. Lists undated funds.

INTERNATIONAL BANK

Table with columns: Stock, Price, % Chg, Div, Yield. Lists international bank securities.

CORPORATION LOANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists commonwealth and African loans.

LOANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various loans.

FOREIGN BONDS & RAILS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists foreign bonds and rails.

FINANCIAL TIMES

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AMERICANS

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of American securities.

BEERS, WINES AND SPIRITS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists beer, wine, and spirit securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists building, timber, and road securities.

CANADIANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists Canadian securities.

BANKS AND HIRE PURCHASE

Table with columns: Stock, Price, % Chg, Div, Yield. Lists bank and hire purchase securities.

CHEMICALS, PLASTICS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists chemical and plastic securities.

ENGINEERING

Table with columns: Stock, Price, % Chg, Div, Yield. Lists engineering securities.

CHEMICALS, PLASTICS

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of chemical and plastic securities.

DRAPERY AND STORES

Table with columns: Stock, Price, % Chg, Div, Yield. Lists drapery and store securities.

ELECTRICAL AND RADIO

Table with columns: Stock, Price, % Chg, Div, Yield. Lists electrical and radio securities.

FOOD, GROCERIES, ETC.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists food, grocery, and other securities.

ENGINEERING MACHINE TOOLS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists engineering machine tools securities.

FOOD, GROCERIES, ETC.

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of food, grocery, and other securities.

ENGINEERING MACHINE TOOLS

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of engineering machine tools securities.

FOOD, GROCERIES, ETC.

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of food, grocery, and other securities.

ENGINEERING MACHINE TOOLS

Table with columns: Stock, Price, % Chg, Div, Yield. Continuation of engineering machine tools securities.

معلومات العمل



WOMAN OF THE WEEK

Challenge from the Right

BY PHILIP RAWSTORNE

WITH ALL the eplomb with which, four years ago, she seized the Conservative leadership Mrs Margaret Thatcher has wrested the political initiative from the Labour Government. The ultimate prize now lies within her grasp. By forcing a General Election on May 3, she has opened the door to Downing Street—and a place in the history books as Britain's first woman Prime Minister.



Mrs. Margaret Thatcher Does not intend to waste her chance

doctrines of free market economics and extending them across the whole range of Government. Though her own Parliamentary reputation was rising fast, she saw Sir Keith Joseph as the natural choice to reverse the Tories' gradual shift to the Left in search of the middle ground; to lead the party back to its fundamental faith. When he declined the role and others hesitated, she boldly gambled and won it for herself.

Ireland breaks sterling link

BY STEWART DALSY AND PETER RIDDELL

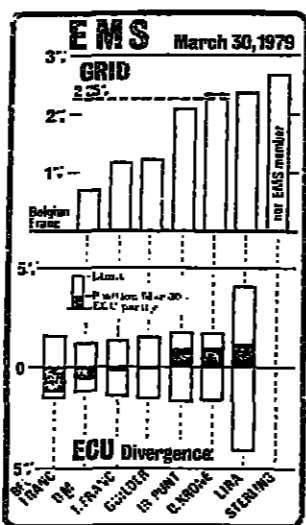
THE CONTINUED strong rise in sterling yesterday forced the Irish Government to break the link between the Irish pound (the punt) and sterling.

This became necessary as the rise in sterling pulled the Irish punt up to the upper limit of its permissible margin of fluctuation within the European Monetary System. Consequently Ireland chose to maintain her European obligations rather than continue the link with the pound.

The pressures on the EMS less than three weeks after its start were also underlined yesterday by a rise in the Danish krone to slightly above its permitted upper limit of a 2 1/2 per cent fluctuation compared with the weakest currency, the Belgian franc.

The Italian lira was 2.36 per cent higher than the Belgian franc, but it is permitted a 6 per cent margin.

These are similar to the pressures which developed from time to time in the "snake," the old European joint float.



The immediate response to the break in the punt-sterling link was a slight drop in the value of the punt against sterling to £0.99475 (or £1.00521). The Central Bank of Ireland said that turnover

was in the usual £20m-to-£30m range.

Central Bank officials refused to say whether they would intervene if the punt continued to weaken against sterling. They said their understanding was that the Bank of England was doing its best to moderate the strength of sterling.

The pound yesterday rose sharply against all other major currencies despite continued Bank of England intervention.

Sterling touched a peak of \$2.0720 at one point following strong demand from the Continent and New York, before falling back on profit-taking to close 1.05 cents up on the day at \$2.0660.

The trade-weighted index rose 0.4 to 66.1 after a day's high of 66.2. This was a rise of 2 1/2 per cent since the beginning of last week; it underlines the growing dilemma for UK policy-makers which will not be resolved until after the election.

introducing exchange control on transactions with the Republic for the present but will continue to keep a close watch on developments.

The break in the link has few wider implications for EMS, but has already led to considerable complications in Northern Ireland, where local notes, sterling and the punt circulate side by side.

The price of gilt-edged stock and equities fell on the Dublin Stock Exchange.

Ireland had originally hoped to have the best of both worlds by maintaining the parity link—because of the close trade relations with the UK while being a member of EMS, even though the UK was not.

However, the break became inevitable when the punt moved above its upper limit against the Belgian franc.

Last December Ireland started to loosen the link with the UK economy by imposing exchange controls between the Republic and the UK.

Stay indoors warning in U.S. nuclear risk area

BY DAVID BUCHAN IN WASHINGTON

THE GOVERNOR of Pennsylvania yesterday closed all schools within five miles of the damaged Three Mile Island nuclear reactor, advised all those within a 10-mile radius of the plant to stay indoors, and told pregnant women and children to leave the area.

President Jimmy Carter also ordered helicopters and communications equipment to be made available to the state's officials. These dramatic moves followed an escape into the open air of a large and uncontrolled amount of radioactive gases from the plant.

This latest development in the three-day-old nuclear accident—the most serious to have occurred in the U.S.—halted for the time being further efforts by Metropolitan-Edison,

the plant operator, and Nuclear Regulatory Commission officials to cool down the reactor.

Mr. Richard Thornburgh, Governor of Pennsylvania, had initially considered a general evacuation from four counties surrounding the nuclear plant after reports that radiation in the gas escaping measured as much as 1,200 millirems an hour.

Federal officials feel such a step may not be necessary. Some 13,000 people live within five miles of the reactor, and a 10-mile radius includes the outskirts of the State capital, Harrisburg.

Metropolitan-Edison insisted that yesterday's surprise gas leak, measuring only 100 millirems, was not dangerous. Later, the Commission put the reading

at 30 millirems—within the exposure range of a normal medical X-ray.

Radioactive gases of krypton and xenon had leaked into the primary cooling system, started up briefly yesterday to reduce the reactor temperature which was said to be 230 degrees Fahrenheit. It had thus escaped into the air through ventilation shafts.

Officials of Metropolitan-Edison said it had not included iodine, a more lethal radioactive gas.

Earlier the company said it had dumped, with official approval, some 120,000 gallons of water, mildly contaminated with xenon in the Susquehanna River nearby.

At least three Congressional investigations of the accident now seem likely.

Recovery in living standards last year

By Peter Riddell, Economics Correspondent

AVERAGE living standards in Britain were still rising strongly at the end of last year, thanks to increases in take-home pay, the uprating of social security benefits and the pensioners' Christmas bonus.

Real disposable income—the best measure of living standards—increased by 1.4 per cent between the July-September period and the end of the year to £19,826m. at 1973 prices and seasonally adjusted.

By the final quarter, disposable incomes were 10.9 per cent higher than in the early summer of 1977, the period of the most intense squeeze on real incomes. The recovery was the result of an acceleration in the growth of real wages, tax cuts and higher cash benefits, plus the favourable impact of the strength of sterling on retail prices.

Over 1978 as a whole, disposable incomes were 6.4 per cent higher than in 1977 and 9.6 per cent higher than in the previous peak year of 1974.

Most of the rise in living standards worked through to consumer spending—51 per cent up in real terms between 1977 and 1978—but some was reflected in a higher level of personal savings. The percentage of disposable income saved increased from 13.7 to 14.4 per cent for 1978 as a whole, with a level of 15.8 per cent in the fourth quarter.

The figures were revealed in the national income and expenditure figures for 1978, published yesterday by the Central Statistical Office.

The figures also show that the financial position of industrial and commercial companies deteriorated towards the end of last year. The financial deficit—shortfall after taxes, dividends and spending on investment and stocks—was £876m in the October to December quarter, compared with just under £300m in the previous three months.

For 1978 as a whole the industrial and commercial sector's financial deficit was £2,298m, compared with £1,826m in 1977 and £978m in 1976. This deficit was principally reflected in a rise in bank borrowing.

Profits from North Sea oil and gas activities rose by about 30 per cent last year to £2,255m. They now account for 14 per cent of the gross trading profits of industrial and commercial companies (after adjusting for the increase in value of stocks).

Tax allowance changes detailed

BY RICHARD EVANS, LOBBY EDITOR

DETAILS of the adjustments to personal tax allowances that will come into force as a result of the so-called Rooker-Wise amendments to the Finance Act, 1977, were disclosed yesterday in Finance Bill resolutions presented by the Treasury.

Personal tax relief for a married couple is to be increased from £1,535 to £1,675, and for a single person from 1985 to £1,075.

The age allowance will go up from £2,075 to £2,265, and the income limit for age allowance

will increase from £4,000 to £4,400. The new allowances will operate from the start of the fiscal year at least until an incoming Government presents a Budget in June. But tax codings will not be adjusted until after the election.

The resolutions, to be debated next Tuesday before the dissolution of Parliament, show that the allowances can remain in force if necessary until August 1, because of the intervention of the General Election on May 3. The resolutions are necessary because tax collecting

powers cease under present legislation on May 5.

The formula on the indexation of tax allowances has been agreed following lengthy discussions since the Government's defeat on a motion of no confidence between Mr. Denis Healey, the Chancellor, and Sir Geoffrey Howe, shadow Chancellor.

The resolutions also confirm that corporation tax will be charged and marginal relief for small companies given for the financial year 1978 at the same rate as for 1977.

Weather

UK TODAY

DRY AT first, but outbreaks of rain or drizzle will reach most parts later in the morning. Max. 5C.

London, S.E., E. Anglia

Dry at first. Rain or drizzle later.

Cent. S. England, Midlands

Rain at first. Brighter later.

S.W. England, N. Wales, Isle of Man, Ulster

Sunny periods and showers.

N.W. England

Sunny periods and showers.

Scotland

Mainly dry. Sunny intervals.

Outlook: Cloudy with outbreaks of rain. Becoming brighter with showers.

Long range forecast: Unsettled and cold for most of April, with a good deal of rain.

WORLDWIDE

Table with columns for location, day, and temperature. Locations include Algiers, Amman, Athens, Bahrain, Beirut, Belfast, Belgrade, Berlin, Bonn, Brno, Bucharest, Budapest, Cairo, Cardiff, Casablanca, Cebu, Copenhagen, Dublin, Edinburgh, Frankfurt, Geneva, Gibraltar, Graz, Havana, Innsbruck, Istanbul, Jerusalem, London, Lyons, Madrid, Manila, Mexico City, Moscow, Ottawa, Paris, Rome, Santiago, Seoul, Singapore, Stockholm, Taipei, Tel Aviv, Tokyo, Toronto, Warsaw, Zurich.

Civil Service unions split on pay offer

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT yesterday isolated the two largest Civil Service unions, which have been staging a campaign of selective strike action, by all but securing a pay settlement with the other six unions.

During all-day talks with union leaders, Minister tried to avert a one-day strike on Monday in which 530,000 civil servants were due to be involved and to reach a deal before the General Election campaign.

The Civil and Public Services Association and the Society of Civil and Public Servants, which represent 300,000 white-collar civil servants, made it clear after the meeting that Monday's strike was still on. But leaders of the six other Civil Service unions reacted favourably to the Government's latest offer, though it is unlikely they will be able to notify their members formally and call off any further industrial action before Monday.

The offer gives increases of 9 per cent from tomorrow or £8.50 a week, whichever is larger. Half of the agreed balance due for individual grades, based on Pay Research Unit comparability reports, will be paid on August 1 with the other half being paid from March 31 next year.

Unions estimate that the full pay unit reports show rises of 26 to 36 per cent due to middle-ranking civil servants.

Lord Peart, the Lord Privy Seal, said after the meeting between himself, Mr. Roy Hattersley, Prices Secretary and Mr. Charles Morris, Minister of State in the Civil Service Department, and union leaders, that it was a very fair offer. "I am confident that it will be so regarded by the Civil Service generally."

Mr. Ken Thomas and Mr.

EEC dairy surplus

Continued from Page 1

of Agriculture, said yesterday that further devaluations of the "green pound" this year were neither desirable nor likely.

The Brussels agreement on Thursday will raise farm support prices for beef, dairy products and cereals by about 8 per cent. Mr. Silkin rejected a National Farmers' Union plea for a further 30 per cent adjustment.

Mr. Richard Butler, NFU president, said: "If there is no further devaluation it is inevitable that many important sectors of British agriculture will face a cash crisis in the coming year."

Mr. John Peyton, Tory Agriculture spokesman, greeted Mr.

Silkin's green pound "victory"

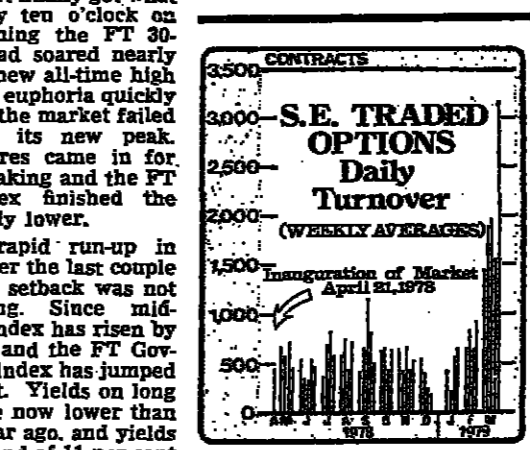
with scorn. "He couldn't have turned it down if he had wanted to. It is a classic case of too little, much too late," he said.

Mr. Silkin said: "Everything is now set for a price freeze this year and for a progressive reform of the Common Agricultural Policy—provided we stay firm and don't lose our nerve."

The executive committee of the European Trade Union Confederation welcomed the three-month price freeze yesterday. Mr. Len Murray, TUC general secretary, said European housewives would be grateful to Mr. Silkin.

THE LEX COLUMN Election fever in equities

Index fell 10.0 to 530.8



With the defeat of the Government on Wednesday night, the stock market finally got what it wanted. By ten o'clock on Thursday morning the FT 30-Share Index had soared nearly 20 points to a new all-time high of 567.8 but the euphoria quickly died down and the market failed to consolidate its new peak.

Yesterday, shares came in for further profit-taking and the FT industrial index finished the week marginally lower.

Given the rapid run-up in share prices over the last couple of months this setback was not very surprising. Since mid-February the index has risen by over 80 points and the FT Government stock index has jumped by 164 per cent. Yields on long dated stock are now lower than they were a year ago, and yields at the shorter end of 11 per cent or so contrast with a Minimum Lending Rate of 13 per cent.

If the latter does not come down some amount houses at least will be bailing out of the gilt-edged market. What with all the excitement most people have missed the fact that far from falling, short term rates (i.e. three months) have risen by three-quarters of a percentage point in the past three weeks.

Admittedly, the rise in interest rates is not indicative of longer-term trends (it reflects the shortages in the money markets) and it is not hard to find fund managers still bullish about the outlook for equities. However, their optimism rests heavily on the assumption of the election of a Conservative Government with a handsome majority that can steamroller through Parliament all sorts of radical measures.

A lot can happen in five weeks, however, and the return of a Conservative administration with a wafer-thin majority would be nowhere near as well received. Clearly, the next few weeks are going to see some nervous swings in share prices as the opinion pollsters produce their erratic predictions. For what it is worth, in the 1970 election when the Conservatives won a surprise victory, share prices drifted lower in the four weeks ahead of the election and then jumped sharply on the result.

In 1974 share prices drifted lower following the February election announcement, then bounced back on opinion poll indications that the Tories would win. The day after the announcement of the hung Parliament share prices dropped sharply and within a month the index was 50 points lower.

Every election is different and the stock market would be ill advised to read too much into past events. Indeed far from

forthcoming election he brought speculators flooding into a market which for a small downpayment, secures exposure to the level of share prices which will be ruling a few months hence.

The system seems to have coped well with this sudden upsurge in activity. And some specialists are hopeful that it will prove to be more than just a nice days' wonder. Although a great deal of the business still comes from within the Stock Exchange itself, there are reports that private clients and some institutional investors have also been showing interest.

Maybe that will be continued to some degree after the immediate excitement has died down.

But in reality it is hard to see any sustained improvement in business levels so long as the present capital rules for capital gains tax apply. And meanwhile, option prices have begun to look distinctly expensive.

Earlier this week an index option premium was given by way of explanation is that its statement of intent in early February was forced out by stock market speculation, and that it was never the intention to buy out the minority shareholders in Pye. Yet important parts of Pye's business are already closely integrated with the rest of the company's operations.

Whatever the result at Pye seems to be, the Pre-tax option is a pending vote in the company's general meeting on April 11. The total is just £15m, a little under £15m, the fall in instrumented components, partly as a result of reorganisation costs. But the reorganisation costs. But the company had a better second half and has taken some good orders, and Pye has increased both sales and margins in mobile radios.

The dividend from Pye Holdings has gone up by the maximum permitted amount. And the shares—which were around 80p before all the excitement started in February—are supported by a well covered yield of 6.3 per cent.

Traded options

The market in traded options has gone wild in the last week or two. Since its inauguration through the FT 30-Share Index, the number of contracts dealt in on a single day has seldom got much above 1,000. This Thursday, volume surged to a peak of well over 4,000 contracts, and average daily turnover this week has been roughly 50 per cent higher than ever before.

The reason, of course, is that the sharp rise in the price of the underlying securities has brought some spectacular rises in the prices of the more highly geared options. In the April series, fivefold gains and more have been commonplace within the space of the past few weeks. And the idea that the Conservatives are going to win the

Company Directors Would you care for a little preferential treatment? You can enjoy major tax benefits with this exempt approved pension plan. Lloyd's Life advertisement.